
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yuexiu Property Company Limited (the "Company"), you should immediately hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Singapore Exchange Securities Trading Limited ("SGX-ST") take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

The Company has a primary listing on The Stock Exchange of Hong Kong Limited and a secondary listing on the SGX-ST. Shareholders should take note that as The Stock Exchange of Hong Kong Limited is the principal exchange on which the shares of the Company are listed and the SGX-ST is the secondary stock exchange on which the shares of the Company are listed, the Company is not required to observe the continuing listing requirements of the SGX-ST, provided that it undertakes to (i) release information to the SGX-ST and the shareholders in Singapore at the same time as such information is required to be released to The Stock Exchange of Hong Kong Limited and the shareholders in Hong Kong; (ii) inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of The Stock Exchange of Hong Kong Limited; and (iii) comply with such other listing rules as may be applied by the SGX-ST from time to time.

This circular or any written materials issued in connection with the offer is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). The offer of the Offer Shares (as defined herein) is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA. This circular and any other document or material in connection with the offer or sale of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, whether directly or indirectly, to any person in Singapore other than to a member of the Company pursuant to Section 273(1)(cd) of the SFA or otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities nor is it calculated to invite any such offer.



- (1) PROPOSED OPEN OFFER OF UP TO 2,159,024,974 OFFER SHARES
ON THE BASIS OF 3 OFFER SHARES FOR EVERY 10 SHARES
IN ISSUE ON THE RECORD DATE
(2) APPLICATION FOR WHITEWASH WAIVER
(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
(4) NOTICE OF EGM

Underwriter to the Open Offer



Coordinator for Yuexiu Property Company Limited to the Open Offer



Independent financial adviser to the independent board committee
and the independent shareholders of Yuexiu Property Company Limited



A letter from the board of directors of the Company is set out on pages 8 to 29 of this circular. A letter from the independent board committee of the Company to the Independent Shareholders is set out on page 30 of this circular. A letter of advice from Yu Ming Investment Management Limited, the independent financial adviser to the independent board committee of the Company and the Independent Shareholders, is set out on pages 31 to 44 of this circular.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. These certain events are set out in the paragraph headed "Termination of the Underwriting Agreement" on page 17 of this circular. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Open Offer will not proceed.

A notice convening the extraordinary general meeting of the Company (the "EGM") to be held on Tuesday, 12 October 2010 at 9:30 a.m. is set out on pages V-1 to V-3 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed proxy form in respect of the proposed resolution(s) at the EGM in accordance with the instructions printed thereon, and return it to the Company's share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time at which the EGM is convened to take place (or any adjourned meeting thereof). Completion and return of the proxy form for the EGM will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

24 September 2010

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Announcement”	the announcement of the Company dated 14 September 2010 in relation to the Open Offer and the Whitewash Waiver
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of the Directors
“business day”	any day (other than a Saturday or Sunday, or a day on which a tropical cyclone warning signal numbered 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which licensed banks in Hong Kong are open for business and the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CDP”	The Central Depository (Pte) Limited
“Commitment Letters”	the commitment letters dated various dates in August and September 2010 and addressed to the Underwriter for the granting of loan facilities of not less than an aggregate amount of HK\$3.4 billion by various banks to the Underwriter for the purpose of financing its subscription obligations under the Irrevocable Undertaking and its underwriting obligations in relation to the Open Offer
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Yuexiu Property Company Limited (越秀地產股份有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and on the stock exchange operated by the SGX-ST
“connected person”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving, among other things: (i) the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules); (ii) the Whitewash Waiver; and (iii) the increase of authorised share capital of the Company
“Excluded Shareholder(s)”	those Overseas Shareholders to whom the Board, based on legal opinion or advice provided or to be provided by legal advisers to the Company and on account either of the legal restrictions under the laws of the relevant place or requirements of the relevant regulatory body or stock exchange in that place, considers it unduly burdensome to, or otherwise necessary or expedient not to, offer the Offer Shares
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Board Committee”	an independent committee of the Board comprising Mr. YU Lup Fat Joseph, Mr. LEE Ka Lun and Mr. LAU Hon Chuen Ambrose, being all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver
“Independent Financial Adviser”	Yu Ming Investment Management Limited, a licensed corporation for types 1, 4, 6, and 9 regulated activities under the SFO, which is an independent third party

DEFINITIONS

“Independent Shareholders”	<p>(i) in respect of the ordinary resolution to approve the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules), Shareholders other than those who have a material interest in the relevant resolution (i.e., Shareholders other than Yue Xiu and Mr. Liang Ningguang); and</p> <p>(ii) in respect of the ordinary resolution to approve the Whitewash Waiver, Shareholders other than (i) Yue Xiu, Mr. Liang Ningguang and parties acting in concert with any of them, and (ii) those others who have been involved in or are interested in the Open Offer and the Whitewash Waiver</p>
“Irrevocable Undertaking”	an irrevocable undertaking given by the Underwriter under the Underwriting Agreement in favour of the Company to, among other things, subscribe for (or procure subscribers to subscribe for) such number of Offer Shares as will be provisionally allotted and issued to it and/or its nominee(s) as its assured entitlement under the Open Offer
“Last Trading Date”	14 September 2010, being the last trading date of the Shares prior to the release of the Announcement
“Latest Practicable Date”	21 September 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 28 October 2010 or such later time or date as may be agreed in writing between the Company and Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 29 October 2010, or such later time and date as may be agreed in writing between the Company and the Underwriter, being the latest time that the Underwriter may terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Liang Ningguang”	a director of Yue Xiu and 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), who is deemed to be a party acting in concert with Yue Xiu pursuant to the Takeovers Code

DEFINITIONS

“Offer Share(s)”	new Shares to be issued in the proportion of 3 Offer Shares to 10 existing Shares in issue at the close of business on the Record Date (rounded down to the nearest one)
“Open Offer”	the proposed offer of the Offer Shares at the Subscription Price on the terms and subject to the conditions to be set out in the Prospectus Documents and summarised in the Announcement and this circular
“Outstanding Options”	the outstanding options granted by the Company to subscribe for an aggregate of 58,674,000 Shares as at the Latest Practicable Date pursuant to the Share Option Scheme
“Overseas Shareholders”	those Shareholders whose addresses, as shown on the register of members of the Company at the close of business on the Record Date, are outside Hong Kong or Singapore
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular only and unless the content otherwise requires, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company for despatch to the Qualifying Shareholders in connection with the Open Offer, and, if and to the extent legally and practically permissible, for despatch for information purposes only to the Excluded Shareholders, in such usual form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus and the assured allotment letter proposed to be issued to the Qualifying Shareholders, in such usual form as may be agreed between the Company and the Underwriter
“Prospectus Posting Date”	Thursday, 14 October 2010 or such later date as the Underwriter may agree in writing with the Company
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Tuesday, 12 October 2010, being the date by reference to which entitlements to the Open Offer will be determined
“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time)
“SGX-ST”	Singapore Exchange Securities Trading Limited

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 par value each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company which was approved by the Shareholders on 26 June 2002
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.61 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter” or “Yue Xiu”	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a company incorporated in Hong Kong which is wholly-owned by 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), a limited liability company incorporated in the PRC which in turn is beneficially wholly-owned by the Guangzhou Municipal People’s Government of the PRC
“Underwriting Agreement”	the underwriting agreement dated 14 September 2010 entered into between the Company and Yue Xiu in relation to the Open Offer
“Whitewash Waiver”	a waiver from the obligation of the Underwriter and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of the Open Offer and the Underwriting Agreement pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code
“%”	per cent.

EXPECTED TIMETABLE

2010

Last day of dealings in Shares on the Stock Exchange and the SGX-ST on cum-entitlements basis	Thursday, 30 September
First day of dealing in Shares on the SGX-ST on an ex-entitlement basis	Friday, 1 October
First day of dealing in Shares on the Stock Exchange on an ex-entitlement basis	Monday, 4 October
Latest time for lodging transfers of Shares with the Company's share registrar in Hong Kong in order to qualify for the Open Offer	4:30 p.m. on Tuesday, 5 October
Latest time for lodging transfers of Shares with the Company's share transfer agent in Singapore in order to qualify for the Open Offer	5:00 p.m. on Tuesday, 5 October (Singapore time)
Register of members of the Company closes (both days inclusive)	Wednesday, 6 October to Tuesday, 12 October
Latest time for lodging forms of proxy for the purpose of the EGM	9:30 a.m. on Sunday, 10 October
Record Date	Tuesday, 12 October
EGM	9:30 a.m. on Tuesday, 12 October
Announcement of results of the EGM	Tuesday, 12 October
Despatch of the Prospectus Documents	Thursday, 14 October
Latest Time for Acceptance of, and payment for, Offer Shares	4:00 p.m. on Thursday, 28 October
Latest time for the termination of the Underwriting Agreement, and expected time for the Open Offer to become unconditional	4:00 p.m. on Friday, 29 October
Announcement of results of the Open Offer	Tuesday, 2 November
Despatch of certificates for the Offer Shares on or before	Wednesday, 3 November
Despatch of refund cheques in respect of invalid applications for the Offer Shares on or before	Wednesday, 3 November
Dealings in the Offer Shares to commence on	Friday, 5 November

EXPECTED TIMETABLE

Notes:

1. Unless otherwise specified, all times and dates refer to Hong Kong local time.
2. Singapore Shareholders with Shares standing to the credit of their securities accounts held with CDP shall comply with relevant procedures and arrangements of CDP in connection with the participation in the Open Offer. If you are in any doubt as to what action to take in relation to the Open Offer, you should immediately consult your local independent advisers or CDP directly.
3. Please note that the above timetable is subject to change. If there are changes to the above timetable, the Company will publish an announcement as soon as practicable.
4. The Latest Time for Acceptance will not take place if there is:
 - tropical cyclone warning signal numbered 8 or above; or
 - “black” rainstorm warning

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the latest date for acceptance of and payment for the Offer Shares. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of and payment for the Offer Shares. Instead, the Latest Time for Acceptance will then be rescheduled to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m..

If the Latest Time for Acceptance does not take place on the expected latest date for acceptance of the Offer Shares, the dates subsequent to that latest expected date as mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as practicable.

LETTER FROM THE BOARD



Executive Directors:

Mr. LU Zhifeng (Chairman)
Mr. ZHANG Zhaoxing
Mr. LIANG Yi
Mr. TANG Shouchun
Mr. LIANG Youpan
Mr. LAM Yau Fung Curt

Registered office:

26th Floor, Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. YU Lup Fat Joseph
Mr. LEE Ka Lun
Mr. LAU Hon Chuen Ambrose

24 September 2010

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED OPEN OFFER OF UP TO 2,159,024,974 OFFER SHARES
ON THE BASIS OF 3 OFFER SHARES FOR EVERY 10 SHARES
IN ISSUE ON THE RECORD DATE
(2) APPLICATION FOR WHITEWASH WAIVER
(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
(4) NOTICE OF EGM**

A. INTRODUCTION

On 14 September 2010, the Company announced that, among other things:

- i. the Company proposed to raise not less than approximately HK\$3,447.69 million before expenses by issuing not less than 2,141,422,774 Offer Shares (assuming no Outstanding Options are exercised on or before the Record Date) and not more than approximately HK\$3,476.03 million before expenses by issuing not more than 2,159,024,974 Offer Shares (assuming all Outstanding Options are exercised on or before the Record Date), at a price of HK\$1.61 per Offer Share, by way of the Open Offer on the basis of 3 Offer Shares for every 10 existing Shares in issue on the Record Date (rounded down to the nearest one);

LETTER FROM THE BOARD

- ii. the Company has made an application for the Whitewash Waiver;
- iii. the Company proposed to seek approval by the Independent Shareholders by way of ordinary resolutions at the EGM to approve the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) and the Whitewash Waiver; and
- iv. the Company proposed to seek the approval by the Shareholders by way of an ordinary resolution at the EGM to increase its authorised share capital from HK\$1,000,000,000 divided into 10,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of 10,000,000,000 new Shares.

The purpose of this circular is to provide you with more information relating to, among other things, details of (i) the Open Offer, (ii) the Whitewash Waiver, (iii) the increase in the authorised share capital of the Company, (iv) the recommendation of the Independent Board Committee in relation to the Open Offer and the Whitewash Waiver, (v) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver together with (vi) a notice of the EGM.

B. PROPOSED OPEN OFFER

1. Basis of the Open Offer

- Basis of the Open Offer : on the basis of 3 Offer Shares for every 10 existing Shares in issue on the Record Date (rounded down to the nearest one). No Offer Share will be offered to the Excluded Shareholders, and no fractional entitlement will be provisionally allotted or issued under the Open Offer
- Subscription Price : HK\$1.61 per Offer Share payable in full upon acceptance
- Number of Shares in issue as at the Latest Practicable Date : 7,138,075,914 Shares
- Maximum number of Shares issuable pursuant to the exercise of Outstanding Options at the Latest Practicable Date : 58,674,000 Shares
- Number of Offer Shares : not less than 2,141,422,774 Offer Shares (assuming no Outstanding Options are exercised on or before the Record Date) and not more than 2,159,024,974 Offer Shares (assuming all Outstanding Options are exercised on or before the Record Date)

LETTER FROM THE BOARD

Number of Offer Shares undertaken to be subscribed by Yue Xiu	:	Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up, or to procure subscribers to take up, all its entitlement(s) under the Open Offer, being an aggregate of 998,980,574 Offer Shares
Maximum number of Offer Shares being underwritten by the Underwriter	:	all the Offer Shares other than those irrevocably undertaken to be taken up, or procured to be taken up, by Yue Xiu under the Irrevocable Undertaking, being not less than 1,142,442,200 Offer Shares (assuming no Outstanding Options are exercised on or before the Record Date) and not more than 1,160,044,400 Offer Shares (assuming all Outstanding Options are exercised on or before the Record Date) which include Offer Shares created by the aggregation of fractional entitlements which will not be provisionally allotted or issued under the Open Offer
Amount to be raised by the Open Offer before expenses	:	not less than approximately HK\$3,447.69 million and not more than approximately HK\$3,476.03 million
Application for excess Offer Shares	:	Not available

Assuming that no Outstanding Options are exercised at or before completion of the Open Offer, the Offer Shares (i.e., 2,141,422,774 Offer Shares) represent approximately 30.00% of the total issued share capital of the Company as at the Latest Practicable Date and will represent approximately 23.08% of the entire issued share capital of the Company as enlarged by the Open Offer.

The number of Offer Shares which may be issued pursuant to the Open Offer will be increased in proportion to any additional Shares which may be allotted and issued pursuant to the exercise of the Outstanding Options on or before the Record Date. As at the Latest Practicable Date, there were Outstanding Options attaching subscription right to subscribe for 58,674,000 Shares. Assuming that the subscription rights attaching to all Outstanding Options are fully exercised and Shares are allotted and issued pursuant to such exercise on or before the Record Date, the number of issued Shares as at the Record Date is expected to increase to 7,196,749,914 Shares and the number of Offer Shares that may be issued pursuant to the Open Offer will increase to 2,159,024,974 Offer Shares.

As at the Latest Practicable Date, other than the Outstanding Options, the Company had no other derivatives, options, warrants and conversion rights or other similar rights which were convertible or exchangeable into Shares.

2. Subscription Price

The Subscription Price (i.e., HK\$1.61 per Offer Share) is payable in full on application. The Subscription Price represents:

- i. a discount of approximately 15.26% to the closing price of HK\$1.90 per Share as quoted on the Stock Exchange on the Last Trading Date;

LETTER FROM THE BOARD

- ii. a discount of approximately 15.26% to the average closing prices of HK\$1.90 per Share for the last five consecutive trading days up to and including the Last Trading Date;
- iii. a discount of approximately 13.90% to the average closing prices of HK\$1.87 per Share for the last ten consecutive trading days up to and including the Last Trading Date;
- iv. a discount of approximately 12.02% to the theoretical ex-entitlement price of approximately HK\$1.83 per Share based on the closing price of HK\$1.90 as quoted on the Stock Exchange on the Last Trading Date;
- v. a discount of approximately 17.01% to the closing price of HK\$1.94 as quoted on the Stock Exchange on the Latest Practicable Date; and
- vi. a discount of approximately 19.50% to the unaudited consolidated net assets value of HK\$2.00 per Share as at 30 June 2010, being the date of which the latest unaudited consolidated financial information of the Group was made up.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter after taking into account, among other things, (i) the recent price performance of the Shares prior to the release of the Announcement; and (ii) the compelling reasons to raise equity funding in order to support the increasing capital requirement for the Group's business so as to maintain its competitiveness and to finance the Group's investment plan in property business (details as set out in the section headed "REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS" below). The Directors (including the members of the Independent Board Committee who have expressed their view in this circular after having received advice from the Independent Financial Adviser) consider that the terms of the Open Offer are fair and reasonable insofar as the Independent Shareholders are concerned and are in the interests of the Company and its Shareholders as a whole. The net issue price per Offer Share is approximately HK\$1.60 after the estimated expenses of approximately HK\$12.50 million in connection with the Open Offer.

3. Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) if and to the extent legally and practically permissible, the Prospectus, for information purposes only, to the Excluded Shareholders. To qualify for the Open Offer, a Shareholder must, at the close of business on the Record Date:

- i. be registered as a member of the Company on the register of members of the Company; and
- ii. not be an Excluded Shareholder.

In order to qualify for the Open Offer and be eligible to attend the EGM, all transfers must be lodged with the Company's share registrar in Hong Kong, Tricor Abacus Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Tuesday, 5 October

LETTER FROM THE BOARD

2010 (Hong Kong time). Transferees in Singapore may lodge their transfer documents accompanied by the relevant share certificates for registration no later than 5:00 p.m. on Tuesday, 5 October 2010 (Singapore time) with the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623.

4. Rights of the Excluded Shareholders

If, at the close of business on the Record Date, a Shareholder's registered address on the register of members of the Company is in a place outside Hong Kong or Singapore, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents are not expected to be registered and/or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Board will make enquiries with the Company's legal advisers as to whether the offer of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that it would be unduly burdensome to, or otherwise necessary or expedient not to, offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be made available to such Overseas Shareholders.

As at the Latest Practicable Date, the Company had Overseas Shareholders in Australia, Canada, Macau, the PRC, the United Kingdom and the United States of America with an aggregate shareholding of less than 0.005% of the total issued share capital of the Company. The Board has made enquiries with the Company's legal advisers regarding the feasibility of extending the Open Offer to these Overseas Shareholders. Based on the advice obtained, the Open Offer can be extended to the Overseas Shareholders with registered addresses in Australia, Macau and the United Kingdom as there are no restrictions, or no onerous restrictions, or there are relevant exemptions available in relation to the offer of Offer Shares to the Overseas Shareholders in these jurisdictions. However, the Board considers that the offer of the Offer Shares to Overseas Shareholders in Canada, the PRC and the United States of America would, or might, in the absence of compliance with registration or other special formalities, be unlawful or impracticable. As such, the Board is of the view that it is inexpedient for the Open Offer to be made available to the Overseas Shareholders in Canada, the PRC and the United States of America and such Overseas Shareholders will be regarded as Excluded Shareholders in relation to the Open Offer. The Company will make a separate announcement as soon as practicable after the Record Date, and in any event on or before the date of despatch of the Prospectus Documents to the Qualifying Shareholders, in relation to the exclusion of certain Overseas Shareholders as at the Record Date to whom the Open Offer will not be made available.

The Company will send the Prospectus, for information purposes only, to the Excluded Shareholders (if any), if and to the extent legally and practically permissible. However, so long as the Excluded Shareholders are Independent Shareholders, they are entitled to cast their votes on all resolutions at the EGM.

5. Closure of register of members

The register of members of the Company will be closed from Wednesday, 6 October 2010 to Tuesday, 12 October 2010, both dates inclusive, to determine the eligibility of the Shareholders to participate in the Open Offer and the EGM. No transfer of Shares will be registered during this period.

LETTER FROM THE BOARD

6. No transfer of nil-paid entitlements

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange or on the SGX-ST.

7. No application for excess Offer Shares

The Qualifying Shareholders will not be entitled to subscribe for any Offer Share in excess of their respective assured entitlements. Considering that each Qualifying Shareholder will be given equal and fair opportunities to participate in the Company's future development by subscribing for his/her/its entitlements under the Open Offer, the Company has determined that it will not put in additional effort and incur the costs to administer the excess application procedures. All Offer Shares not taken up by the Qualifying Shareholders (excluding those to be taken up by Yue Xiu pursuant to the Irrevocable Undertaking) are underwritten by the Underwriter. As the related administration costs would be lowered, the Directors consider that the absence of application for excess Offer Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since no excess application for the Offer Shares is available and the Underwriter is the controlling shareholder of the Company, the absence of excess application under the Open Offer must be specifically approved by the Independent Shareholders at the EGM in compliance with Rule 7.26A(2) of the Listing Rules.

8. Status of the Offer Shares

The Offer Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

9. Fractions of Offer Shares

The Offer Shares will be provisionally allotted and issued in the proportion of 3 Offer Shares to 10 existing Shares in issue at the close of business on the Record Date (rounded down to the nearest one), and fractional entitlements will not be provisionally allotted or issued under the Open Offer, but will be aggregated and underwritten by the Underwriter.

10. Certificates of the Offer Shares

Subject to fulfilment of the conditions of the Open Offer, share certificates in relation to the Offer Shares are expected to be posted on or before Wednesday, 3 November 2010 to those entitled thereto by ordinary post at their own risk.

LETTER FROM THE BOARD

11. Application for listing

Since the Shares have a primary listing on the Main Board of the Stock Exchange and a secondary listing on the SGX-ST, the Company will apply to the Listing Committee of the Stock Exchange and the SGX-ST for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty in Hong Kong and Singapore (where applicable).

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the SGX-ST, the Offer Shares will be traded under the book entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Offer Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and conditions for operation of securities account with The Central Depository (Pte) Limited” and the “Terms and conditions for CDP to act as depository for the rights shares”, as the same may be amended from time to time. Copies of these are available from CDP.

12. Irrevocable Undertaking

Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up, or to procure subscribers to take up, all its entitlement(s) under the Open Offer being an aggregate of 998,980,574 Offer Shares, representing approximately 14.00% of the issued share capital of the Company as at the Latest Practicable Date.

13. Conditions of the Open Offer

The Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. If the Underwriting Agreement has not become unconditional in accordance with its terms, the Open Offer will not proceed.

C. REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Directors believe that it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity capital through an Open Offer to finance its future expansion plan. Unlike borrowings or issuance of debt securities, the Directors consider that the Open Offer would be a preferred means for the Company to raise long-term funds without subjecting itself to interest burden or additional debt. The net proceeds of the Open Offer are expected to strengthen the Company’s capital base and provide greater financial flexibility for the Company to fund its future expansion needs. The Open Offer will enable all Shareholders to participate in the future development of the Company on equal terms.

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It is the Company's intention to strengthen the replenishment of its land reserves in order to facilitate the enhancement of Shareholders' value. It is intended that the estimated net proceeds, being approximately HK\$3,435.19 million (assuming no Outstanding Options are exercised on or before the Record Date) or approximately HK\$3,463.53 million (assuming all Outstanding Options are exercised on or before the Record Date), from the Open Offer will be used for future land bank acquisition which is in-line with the Company's overall business strategy.

The Open Offer is fully underwritten by Yue Xiu, the Company's controlling shareholder, which demonstrates its confidence and conviction in the Company's future and growth prospects.

The Directors (including the members of the Independent Board Committee who have expressed their view in this circular after receiving the advice from the Independent Financial Adviser) consider that the Open Offer is in the interests of the Company and its Shareholders as a whole for the reasons mentioned above. **However, the Excluded Shareholders and those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

D. UNDERWRITING ARRANGEMENTS

1. Underwriting Agreement dated 14 September 2010

- Underwriter : Yue Xiu, the controlling shareholder of the Company, whose ordinary course of business does not include underwriting
- Maximum number of Offer Shares being underwritten by the Underwriter : Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Offer Shares (excluding the Offer Shares to be taken up by the Underwriter pursuant to the Irrevocable Undertaking) not subscribed for by the Qualifying Shareholders on a fully underwritten basis, being not less than 1,142,442,200 Offer Shares (assuming that no Outstanding Options are exercised on or before the Record Date) and not more than 1,160,044,400 Offer Shares (assuming that all Outstanding Options are exercised on or before the Record Date) which include Offer Shares created by the aggregation of fractional entitlements which will not be provisionally allotted or issued under the Open Offer, subject to the terms and conditions of the Underwriting Agreement

No underwriting commission will be payable to the Underwriter, while the Company will reimburse the Underwriter for all out-of-pocket expenses reasonably incurred in connection with the underwriting under the Underwriting Agreement.

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The Underwriting Agreement also contains customary warranties and undertakings given by the Company in favour of the Underwriter.

2. Conditions precedent of the Underwriting Agreement

The Underwriting Agreement is conditional upon, among others, the following conditions precedent being fulfilled:

- i. the despatch of this circular in relation to the Open Offer and the Whitewash Waiver to all Shareholders;
- ii. the obtaining of the approval of the Independent Shareholders by way of poll at the EGM for the Open Offer (in respect of the absence of arrangements for application for the Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) and the granting of the Whitewash Waiver;
- iii. the grant by the Executive, and not having withdrawn or revoked such grant, of the Whitewash Waiver, and the fulfilment of all conditions, if any, attached thereto;
- iv. the delivery to the Stock Exchange for authorisation, and the registration with the Registrar of Companies in Hong Kong, respectively, not later than the Prospectus Posting Date, of one copy of each of the Prospectus Documents for use by the Qualifying Shareholders to apply for the Offer Shares under their entitlements, duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached to it) and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- v. the despatch of the Prospectus Documents to the Qualifying Shareholders;
- vi. the grant or the agreement to grant (subject to allotment) by the Listing Committee of the Stock Exchange and the SGX-ST, and not having withdrawn or revoked such grant, of listing of and permission to deal in all the Offer Shares, either unconditionally or subject to such conditions as are accepted by the Company; and
- vii. the compliance with and performance of the obligations and undertakings of the Company under the Underwriting Agreement.

As at the Latest Practicable Date, none of the above conditions has been fulfilled. The Underwriter may waive condition precedent (vii) above. Save for condition precedent (vii) (which may be waived by the Underwriter), none of the other conditions precedent is waivable by the Company or the Underwriter pursuant to the terms of the Underwriting Agreement.

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In the event that the above conditions precedent are not fulfilled (or, where permitted, waived) on or before 30 November 2010 (or such later time and/or date as the Company and the Underwriter may agree in writing), all obligations and liabilities of the parties to the Underwriting Agreement shall cease and no party to the Underwriting Agreement shall have any claim against the other, save that all fees and expenses incurred in connection with the Open Offer and the underwriting arrangement shall be borne by the Company pursuant to the Underwriting Agreement.

3. Termination of the Underwriting Agreement

If at any time at or before the Latest Time for Termination:

- i. there has developed, occurred, existed or come into effect:
 - (1) the introduction of any new law or regulation or any change in existing laws or regulations, or the judicial interpretation of such laws or regulations, or any other similar matter or event which has a material adverse effect on the business or financial condition of the Group as a whole; or
 - (2) any change in local, national or international economic, financial or political conditions or any matter or event beyond the control of the parties to the Underwriting Agreement (including acts of government, strikes, explosion, civil commotion, acts of God or accident) which is materially adverse in the context of the Open Offer or makes it inadvisable or inexpedient to proceed with the Open Offer; or
 - (3) any change in local, national or international stock market conditions (including any moratorium, suspension of or material restriction on trading in securities generally) which materially and adversely affects the Open Offer or makes it inadvisable or inexpedient to proceed with the Open Offer; or
 - (4) any change, or any development involving a prospective change, in taxation in Hong Kong, the PRC or any other jurisdiction to which any member of the Group is subject, or the implementation of any exchange control, which materially and adversely affects any member of the Group or its shareholders in their capacity as such; or
- ii. there comes to the notice of the Underwriter any matter or event showing any of the warranties given by the Company under the Underwriting Agreement to be untrue or inaccurate in a material respect which is materially adverse in the context of the Open Offer; or
- iii. the Company is in breach of any of its obligations under the Underwriting Agreement which is material in the context of the Open Offer,

then the Underwriter may, in its sole and absolute discretion, by notice in writing given to the Company at or before the Latest Time for Termination, terminate the Underwriting Agreement, and thereupon all obligations and liabilities of the Underwriter under the Underwriting Agreement shall

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cease and no party to the Underwriting Agreement shall have any claim against any other party in respect of anything arising out of or in connection with the Underwriting Agreement, provided however that the Company shall remain liable to pay the Underwriter for the expenses accrued under the Underwriting Agreement.

The Open Offer is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement has been terminated in accordance with its terms, the Open Offer will not proceed.

E. WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Friday, 1 October 2010 on the SGX-ST and Monday, 4 October 2010 on the Stock Exchange and that dealing in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 4:00 p.m. on Friday, 29 October 2010), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

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F. SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that no Outstanding Options are exercised on or before completion of the Open Offer, the shareholding structure of the Company immediately before and after completion of the Open Offer is set out below:

	Shareholding as at the Latest Practicable Date		Shareholding immediately following completion of the Open Offer (assuming all Qualifying Shareholders take up their entitlements under the Open Offer) (Note 8)		Shareholding immediately following completion of the Open Offer (assuming no Qualifying Shareholders, other than Yue Xiu, take up their entitlements under the Open Offer) (Note 8)	
	<i>Approximate Shares</i>	<i>%</i>	<i>Approximate Shares</i>	<i>%</i>	<i>Approximate Shares</i>	<i>%</i>
Underwriter, i.e., Yue Xiu <i>(Note 1, 2)</i>	3,329,935,248	46.65	4,328,915,822	46.65	5,471,358,022	58.96
Mr. Liang Ningguang <i>(Note 3)</i>	300,000	0.00	390,000	0.00	300,000	0.00
Subtotal of Yue Xiu (together with parties acting in concert with it)	3,330,235,248	46.65	4,329,305,822	46.65	5,471,658,022	58.97
Mr. Lee Ka Lun <i>(Note 4)</i>	3,500,000	0.05	4,550,000	0.05	3,500,000	0.04
Mr. Lau Hon Chuen Ambrose <i>(Note 5)</i>	1,680,000	0.02	2,184,000	0.02	1,680,000	0.02
Public shareholders	<u>3,802,660,666</u>	<u>53.28</u>	<u>4,943,458,866</u>	<u>53.28</u>	<u>3,802,660,666</u>	<u>40.97</u>
Total	<u>7,138,075,914</u>	<u>100</u>	<u>9,279,498,688</u>	<u>100</u>	<u>9,279,498,688</u>	<u>100</u>

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Assuming that all Outstanding Options are exercised and Shares are allotted and issued pursuant to such exercise on or before the Record Date, the shareholding structure of the Company immediately before and after completion of the Open Offer is set out below:

	Shareholding as at the Latest Practicable Date		Shareholding immediately following completion of the Open Offer (assuming all Qualifying Shareholders take up their entitlements under the Open Offer) (Note 8)		Shareholding immediately following completion of the Open Offer (assuming no Qualifying Shareholders, other than Yue Xiu, take up their entitlements under the Open Offer) (Note 8)	
	Approximate		Approximate		Approximate	
	Shares	%	Shares	%	Shares	%
Underwriter, i.e., Yue Xiu (Note 1, 2)	3,329,935,248	46.65	4,328,915,822	46.27	5,488,960,222	58.67
Mr. Liang Ningguang (Note 3)	300,000	0.00	390,000	0.00	300,000	0.00
Subtotal of Yue Xiu (together with parties acting in concert with it)	3,330,235,248	46.65	4,329,305,822	46.27	5,489,260,222	58.67
Mr. Lee Ka Lun (Note 4)	3,500,000	0.05	4,550,000	0.05	3,500,000	0.04
Mr. Lau Hon Chuen Ambrose (Note 5)	1,680,000	0.02	3,640,000	0.04	2,800,000	0.03
Mr. Liang Youpan (Note 6)	0	0	13,455,000	0.14	10,350,000	0.11
Mr. Tang Shouchun (Note 7)	0	0	2,028,000	0.02	1,560,000	0.02
Holder of Outstanding Options (other than Mr. Tang Shouchun, Mr. Liang Youpan and Mr. Lau Hon Chuen Ambrose)	0	0	59,337,200	0.63	45,644,000	0.49
Other public Shareholders	<u>3,802,660,666</u>	<u>53.28</u>	<u>4,943,458,866</u>	<u>52.85</u>	<u>3,802,660,666</u>	<u>40.64</u>
Total	<u>7,138,075,914</u>	<u>100</u>	<u>9,355,774,888</u>	<u>100</u>	<u>9,355,774,888</u>	<u>100</u>

Notes:

- (1) The entire issued share capital of the Underwriter, i.e., Yue Xiu, is owned by 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), a limited liability company incorporated in the PRC which in turn is beneficially wholly-owned by the Guangzhou Municipal People's Government of the PRC.
- (2) Shareholding in the Company is held, directly and indirectly, by Yue Xiu through its various wholly-owned subsidiaries.
- (3) Mr. Liang Ningguang is a director of Yue Xiu and 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), who is deemed to be a party acting in concert with Yue Xiu pursuant to the Takeovers Code.
- (4) Mr. Lee Ka Lun is an independent non-executive Director.
- (5) Mr. Lau Hon Chuen Ambrose is an independent non-executive Director.

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- (6) Mr. Liang Youpan is an executive Director.
- (7) Mr. Tang Shouchun is an executive Director.
- (8) The entitlement of each Shareholder named in the tables above is rounded down to the nearest whole number.
- (9) The Shares have been listed on the Main Board of the Stock Exchange and have a secondary listing on the SGX-ST. The shareholding structure tables above cover all the issued Shares which are traded on both the Stock Exchange and the SGX-ST.

G. PREVIOUS EQUITY FUND RAISING EXERCISES OF THE COMPANY

The Company has not conducted any equity fund raising exercises in connection with any issue of equity securities in the past 12 months immediately preceding the date of the Announcement.

H. LISTING RULES IMPLICATIONS

The entering into the Underwriting Agreement between the Company and the Underwriter is a connected transaction under the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders approval requirements.

Pursuant to Rule 7.26A(2) of the Listing Rules, since no excess application for the Offer Shares is available, specific approval shall be obtained from the Independent Shareholders in respect of the absence of such arrangement under the Open Offer, and Shareholders who have a material interest in the relevant resolution shall abstain from voting. As at the Latest Practicable Date, Yue Xiu was interested in and controlled or was entitled to exercise control over the voting right in respect of, directly and indirectly, an aggregate of 3,329,935,248 Shares and is the controlling Shareholder of the Company. It shall abstain from voting on the resolution to approve the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) at the EGM. Further, as at the Latest Practicable Date, Mr. Liang Ningguang, being a director of the Underwriter and 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), was interested in a total of 300,000 Shares (representing less than 0.01% of the total issued Shares). Mr. Liang Ningguang shall also abstain from voting on such resolution at the EGM.

To the extent that the Company is aware having made all reasonable enquiries, as at the Latest Practicable Date, neither Yue Xiu nor Mr. Liang Ningguang had:

- i. any voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon it; or
- ii. any obligation or entitlement,

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whereby it/he had or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his shareholding in the Company to a third party, either generally or on a case-by-case basis, and there was no discrepancy between its/his beneficial shareholding interest (direct or indirect) in the Company and the number of Shares in respect of which it/he would control or would be entitled to exercise control over the voting right at the EGM.

I. WHITEWASH WAIVER

In the event that, upon completion of the Open Offer, no Qualifying Shareholder (other than Yue Xiu) will take up any Offer Shares, the Underwriter will be required to subscribe for and take up all the Offer Shares, which will result in the Underwriter taking up:

- i. assuming that no Outstanding Options are exercised on or before the Record Date, 2,141,422,774 Shares representing approximately 23.08% of the entire issued share capital of the Company as enlarged by the Open Offer; and
- ii. assuming that all Outstanding Options are exercised on or before the Record Date, 2,159,024,974 Shares representing approximately 23.08% of the entire issued share capital of the Company as enlarged by the Open Offer, and

the total shareholding of Yue Xiu and parties acting in concert with it in the Company will increase from 3,330,235,248 Shares, representing approximately 46.65% of the entire issued share capital of the Company as at the Latest Practicable Date, to:

- i. assuming that no Outstanding Options are exercised on or before the Record Date, 5,471,658,022 Shares representing approximately 58.97% of the entire issued share capital of the Company as enlarged by the Open Offer; and
- ii. assuming that all Outstanding Options are exercised on or before the Record Date, 5,489,260,222 Shares representing approximately 58.67% of the entire issued share capital of the Company as enlarged by the Open Offer.

Accordingly, the underwriting by the Underwriter will trigger an obligation for the Underwriter (together with parties acting in concert with it) to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already owned or agreed to be acquired by them. An application has been made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. Yue Xiu and parties acting in concert with it, not being Independent Shareholders, together with other Shareholders (if any) who have been involved in or are interested in the Open Offer and the Whitewash Waiver shall abstain from voting at the EGM in respect of the resolution to approve the Whitewash Waiver. Further, Mr. Liang Ningguang, being a director of Yue Xiu and 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), is deemed to be a party acting in concert with Yue Xiu under the Takeovers Code and shall also abstain from voting at the EGM in respect of the resolution to approve the Whitewash Waiver. The Open Offer is conditional on,

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among other things, the granting of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders at the EGM. If the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, the Underwriting Agreement will not become unconditional and the Open Offer will not proceed.

Investors should be aware that there is a possibility that, upon completion of the Open Offer, the Underwriter will hold more than 50% of the voting rights in the Company. By then, the Underwriter may increase its shareholdings in the Company (in compliance with applicable requirements under the Takeovers Code) without incurring further obligation of making mandatory general offers pursuant to Rule 26 of the Takeovers Code.

J. DEALINGS IN THE SHARES BY THE UNDERWRITER AND PARTIES ACTING IN CONCERT WITH IT AND OTHER MISCELLANEOUS MATTERS

There has been no dealing of Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company by the Underwriter and parties acting in concert with it during the six months period immediately prior to the date of the Announcement and up to the Latest Practicable Date.

As at the Latest Practicable Date, other than the approximately 46.65% of the issued share capital of the Company owned by the Underwriter and parties acting in concert with it (the details of which are set out under paragraph F of this circular) and transactions contemplated under the Underwriting Agreement (including the Irrevocable Undertaking) to which the Underwriter is a party, and the Commitment Letters which were addressed to the Underwriter, and as disclosed in the Announcement:

- i. the Underwriter and parties acting in concert with it did not hold any other shares, convertible securities, warrants or options of the Company, or any outstanding derivative in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- ii. there was no other arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Underwriter, parties acting in concert with it which are corporate entities or the Company and which may be material to the Whitewash Waiver and/or the Open Offer;
- iii. there was no other agreement or arrangement to which any of the Underwriter and parties acting in concert with it was a party which related to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Whitewash Waiver and/or the Open Offer;
- iv. the Underwriter and parties acting in concert with it did not receive any irrevocable commitment or arrangements to accept or reject the Open Offer or to vote in favour of or

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against the resolutions in respect of the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) or the Whitewash Waiver; and

- v. the Underwriter and parties acting in concert with it did not borrow or lend any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

K. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in the businesses of property development, management and investment in the PRC, including Hong Kong. The Group also holds a 35.58% interest in GZI Real Estate Investment Trust.

For the six months ended 30 June 2010, the Group recorded revenue of approximately RMB1,037 million and profit for the period attributable to equity holders of the Company from continuing operations of approximately RMB356 million. Revenue and profit for the period attributable to equity holders of the Company from continuing operations declined by 53.1% and 33.4% respectively as compared to the same period last year.

The decline was mainly due to the fact that property delivery is scheduled to be concentrated in the second half of the year, while contracted sales volume increased substantially in the first half of the year. At the same time, the increased sales costs associated with the increased contracted sales volume were accounted for in the current period.

In the first half of 2010, the Group achieved a new record in contracted sales. Contracted sales in gross floor area reached 329,300 square metres, representing an increase of 58.9% over the same period last year and achieving 61.0% of the target of 540,000 square metres for 2010. Contracted sale value reached RMB5,395 million, representing an increase of 156.4% and achieving 68.3% of the target of RMB7,900 million. Average selling price reached RMB16,400 per square metre, representing a year-on-year increase of 61.3%. Given the encouraging performance of contracted sales, the Group will continue to strengthen the replenishment of land reserves.

Looking ahead, the Group believes market adjustment is expected to continue due to PRC Central Government's measures to stabilize housing prices. At the same time, special construction work arrangements in Guangzhou to ensure the smooth progress of the Asian Game to be held at the end of 2010 will also have an impact on the market. However, the Group remains optimistic about the mid-to-long term prospect, mainly driven by the urbanisation and increased housing demand, of the property market in the PRC. The Group will continue to pursue its strategic and business objectives and at the same time to strengthen risk control, maintain sound cash flow, and ensure the achievement of key deliverables.

The Group will actively analyze acquisition opportunities and seek to acquire attractive land sites in Guangzhou to consolidate its leading position there. The Group will also seek to capitalize on the "Three Old" (old urban areas, old villages and old factories) redevelopment projects. Furthermore, the Group will explore opportunities in economically developed cities in the Pearl River Delta, Bohai Rim, and the central regions.

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The Group's landmark project, Guangzhou International Finance Center (IFC), aims to soft open its hotel and shopping mall before the Asian Games in November 2010. At the same time, the Group will strengthen promotion of the offices at IFC to financial services companies and other world-class corporations.

As of 30 June 2010, the Group had investment properties of approximately 945,500 square metres, properties under development of approximately 2,710,000 square metres and undeveloped land bank with total gross floor area of approximately 4,530,000 square metres. From 30 June 2010 to the Latest Practical Date, the Group has newly acquired land parcels with a total permissible gross floor area of approximately 0.98 million square metres with aggregate consideration of approximately RMB4.64 billion.

The Group continues to adhere to prudent financial management. By maintaining a reasonable leverage, the Group endeavors to keep a healthy financial position to strengthen replenishment of land reserves. The Open Offer, when completed, is expected to raise net proceeds of not more than approximately HK\$3,463.53 million for the Company. This is expected to reduce the gearing of the Group and further enhance the financial capability and flexibility of the Group.

L. GENERAL

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver. The Independent Financial Adviser has been appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

Application will be made to the Listing Committee of the Stock Exchange and the SGX-ST for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange and the SGX-ST, respectively.

The Prospectus Documents setting out, among other things, details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable, subject to the certain conditions precedent of the Open Offer being satisfied.

M. INFORMATION ON AND INTENTION OF YUE XIU

Yue Xiu is a limited liability company incorporated in Hong Kong. Yue Xiu is the principal investment vehicle of the Guangzhou Municipal People's Government in Hong Kong and is wholly-owned by 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), a limited liability company incorporated in the PRC which is wholly-owned by the Guangzhou Municipal People's Government. As at the Latest Practicable Date, the directors of Yue Xiu included Mr. Lu Zhifeng, Mr. Zhang Zhaoxing, Mr. Liang Ningguang, Mr. Liang Yi, Mr. Wu Xinghe, Mr. Li Xinchun (independent non-executive director), Mr. He Zhifeng (independent non-executive director) and Mr. Zhou Qianding (independent non-executive director), and the directors of 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited) were the same as those of Yue Xiu.

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Yue Xiu has been the controlling shareholder of the Company since the Shares were listed on the Stock Exchange in 1992. The Company was informed by Yue Xiu that following the Group's disposal of its entire shareholding interest in GZI Transport Limited at the end of 2009, the corporate strategy has been that the Group would focus on real property and increase its scale of operations, and therefore, substantial capital is expected to be needed to fund the Group's future expansion. As one long-term commercial justification for the Open Offer, the Company was informed by Yue Xiu that Yue Xiu shares the same view that the Open Offer is believed to enhance the Company's flexibility in future debt leverage, while the Company is able to raise long-term funds to finance its future expansion plan, and that the Open Offer is intended to provide all existing Shareholders with an equal opportunity to participate in the anticipated expansion of the Group, as described in the section headed "REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS" in this letter from the Board. Yue Xiu intends that the Group will continue its existing business and has no intention or any plans to inject any assets into the Group or dispose of any of the Group's assets (other than non-core assets of the Group including certain non-property related business such as supermarket business). It also has no intention to introduce any major changes to the business of the Group, including any redeployment of the fixed assets of the Group. The implementation of any future injection/disposal of assets of the Group will be subject to the relevant provisions of the Listing Rules. Yue Xiu and its concert parties have no intention or any plans to make any major changes to the continued employment of the employees of the Company and of its subsidiaries.

N. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares, of which 7,138,075,914 Shares had been issued and fully paid or credited as fully paid. The Board proposed to increase the authorised share capital of the Company to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of 10,000,000,000 new Shares to cater for possible issue of Shares in the future. As at the Latest Practicable Date, the Directors did not have any intention of issuing any part of the increased authorised share capital of the Company, save as pursuant to exercise of any Outstanding Options.

The increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM and no Shareholder is required to abstain from voting in respect of such resolution.

O. TRADING AND SETTLEMENT ARRANGEMENT BETWEEN THE STOCK EXCHANGE AND SGX-ST

1. Transfer of Shares into CDP

Citibank N.A. Hong Kong is the CCASS Participant appointed by CDP to hold the Shares in CCASS. An investor whose shares are held in Hong Kong and who wishes to trade his Shares on the SGX-ST must deposit his Shares into his securities account with CDP. If the investor is holding the Shares in scrip form, he can first deposit the scrips with Citibank N.A. Hong Kong, who will then

LETTER FROM THE BOARD

deposit the scrips in the CCASS system in Hong Kong. Shares to be deposited with Citibank N.A. Hong Kong must have attached thereto duly executed transfer forms. Alternatively, the investor may deposit the scrips with his own CCASS participant and instruct the CCASS participant to transfer the Shares to Citibank N.A. Hong Kong for the account of CDP thereafter.

If the Shares to be transferred to CDP are already held in CCASS, the investor will only need to instruct his CCASS participant to transfer the Shares to Citibank N.A. Hong Kong for the account of CDP.

The investor has to simultaneously submit the duly completed CDP Form 29A to CDP, together with a fee prescribed in CDP Form 29A. In the event that the investor maintains a sub-account with a depository agent, the CDP Form 29A will be completed by the depository agent on his behalf.

Having verified that the CDP Form 29A has been correctly completed, CDP will instruct Citibank N.A. Hong Kong to acknowledge receipt of the Shares in CCASS. Upon notification by Citibank N.A. Hong Kong of receipt of the Shares, CDP will accordingly credit to the investor's securities account with the relevant number of Shares and notify the investor accordingly.

2. **Transfer of Shares out of CDP**

An investor may transfer his Shares out of CDP to Hong Kong if he wishes to trade his Shares on the Stock Exchange. To effect the transfer, the investor (or his depository agent) has to submit the duly completed CDP Form 29B to CDP together with a fee prescribed in CDP Form 29B. Having verified that the CDP Form 29B has been correctly completed, CDP will instruct to transfer the Shares to the CCASS participant. Upon receipt of confirmation that the transfer has been effected, CDP will then debit the investor's securities account for the relevant number of Shares to be transferred out and notify the investor accordingly.

The investor has to simultaneously instruct his CCASS participant to expect receipt of the number of Shares specified by Citibank N.A. Hong Kong via CCASS.

3. **Time needed for Share transfers**

Barring unforeseen circumstances, the transfer of Shares into and out of CDP will take two business days to complete, after the duly completed documentation is submitted to CDP for processing and proper instructions are given by the investor to his CCASS participant in Hong Kong. It must be noted that instructions received by CDP after 10:00 a.m. on a given business day will be considered as the next business day's request and will be processed on the next business day.

P. OTHER INFORMATION IN RELATION TO EXCLUDED SHAREHOLDERS

The information in this circular has been prepared on the basis that the Open Offer will be made pursuant to an exemption under the Directive 2003/71/EC ("**Prospectus Directive**"), as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of securities. Accordingly any person making or intending to make any offer or distribution within the EEA of Shares should only do so in circumstances in which no obligation arises

LETTER FROM THE BOARD

for the Company to produce a prospectus for such offer or distribution. The Company has not authorised, nor does it authorise the making of any offer or distribution of Shares through any financial intermediary, other than offers and distributions made by the Company which constitute the final placement of Shares contemplated in the information in this circular. Accordingly, the Shares may not be, and will not be, offered or sold in the EEA by means of this circular, any accompanying letter or any other document, except to persons which are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive, including (a) legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or otherwise; (c) to fewer than 100 natural or legal persons per EEA State (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive); or (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer or distribution of Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive. In addition, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”) of the United Kingdom) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company. This circular is being distributed only to, and is directed at: (a) persons to whom Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 applies or (b) persons to whom it may be lawfully communicated (together “**relevant persons**”). Any investment to which this circular relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this circular or any of its contents.

Q. EGM

A notice convening the EGM to be held at Granville Room, Lower Lobby, Conrad Hotel, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 12 October 2010 at 9:30a.m. is set out on pages V-1 to V-3 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed proxy form in respect of the proposed resolution(s) for the EGM in accordance with the instructions printed thereon, and return it to the Company’s share registrar, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not less than 48 hours before the time the EGM (or any adjourned meeting thereof) is convened to take place. Completion and return of the proxy form for the EGM will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

The EGM will be convened for:

- i. the Independent Shareholders to consider and, if thought fit, to approve as ordinary resolutions (i) the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) and (ii) the Whitewash Waiver; and

LETTER FROM THE BOARD

- ii. the Shareholders to consider and, if thought fit, to approve as an ordinary resolution the increase of the authorised share capital of the Company.

According to Rule 13.39(4) of the Listing Rules, any voting of the Shareholders at the EGM will be taken by way of poll and an announcement will be made after the EGM on the results of the EGM.

R. RECOMMENDATION

The executive Directors believe that the terms of the Open Offer and the Whitewash Waiver are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) and the Whitewash Waiver.

You are advised to read carefully the letter from the Independent Board Committee on page 30 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the text of which is set out on pages 31 to 44 of this circular, considers that the terms of the Open Offer and the Whitewash Waiver are fair and reasonable insofar as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to approve the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) and the Whitewash Waiver at the EGM.

The Directors (including all independent non-executive Directors) believe that the increase in authorised share capital of the Company is fair and reasonable and in the interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to increase the Company's authorised share capital.

S. ADDITIONAL INFORMATION

This circular is being distributed to the Shareholders. This circular does not constitute an offer or invitation to subscribe for or purchase any securities mentioned herein nor is it calculated to invite any such offer or invitation. Neither this circular nor anything contained herein shall form the basis of any contract or commitment whatsoever.

Your attention is drawn to the information set out in the appendices to this circular.

By order of the Board of
Yuexiu Property Company Limited
LU Zhifeng
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



24 September 2010

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular dated 24 September 2010 (the “**Circular**”) to the shareholders of the Company of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed to form the independent board committee of the Company to advise the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver, details of which are set out in the letter from the Board contained in the Circular. Yu Ming Investment Management Limited (the “**IFA**”) has been appointed to advise the Independent Shareholders and us in this regard. Details of IFA’s advice and the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 31 to 44 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendices thereto.

Having taken into account the terms of the Open Offer and the Whitewash Waiver and the advice of IFA, we are of the opinion that the terms of the Open Offer and the Whitewash Waiver are fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned and in the interests of the Company and the Shareholders as a whole. We, therefore, recommend that you vote in favour of the resolutions to be proposed at the EGM to approve the Open Offer and the Whitewash Waiver.

Yours faithfully,
Independent Board Committee of
Yuexiu Property Company Limited
YU Lup Fat Joseph, LEE Ka Lun,
LAU Hon Chuen Ambrose
Independent non-executive Directors

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Yu Ming Investment Management Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.



禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

24 September 2010

*The Independent Board Committee
and Independent Shareholders:*

Dear Sir or Madam,

**(1) PROPOSED OPEN OFFER OF UP TO 2,159,024,974 OFFER SHARES
ON THE BASIS OF 3 OFFER SHARES FOR EVERY 10 SHARES
IN ISSUE ON THE RECORD DATE;
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

INTRODUCTION

Reference is made to the proposed open offer of Yuexiu Property Company Limited (the “Company”), details of which are set out in the announcement of the Company dated 14 September 2010 (the “Announcement”) and the circular of the Company dated 24 September 2010 (the “Circular”), of which this letter (the “Letter”) forms part. Unless the context otherwise requires, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

On 14 September 2010, the Company announced that it proposed to raise not less than approximately HK\$3,447.69 million and not more than approximately HK\$3,476.03 million before expenses by issuing not less than 2,141,422,774 Offer Shares (assuming no Outstanding Options are exercised on or before the Record Date) and not more than 2,159,024,974 Offer Shares (assuming all Outstanding Options are exercised on or before the Record Date) at the Subscription Price of HK\$1.61 per Offer Share by way of the Open Offer in the proportion of 3 Offer Shares for every 10 Shares in issue on the Record Date (rounded down to the nearest one) and payable in full on acceptance.

The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders. Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up, or to procure subscribers to take up, all its entitlement(s) under the Open Offer being an aggregate of 998,980,574 Offer Shares.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

On 14 September 2010, the Company entered into the Underwriting Agreement with Yue Xiu, the controlling shareholder of the Company, pursuant to which, the Underwriter has conditionally agreed to underwrite the Offer Shares (excluding the Offer Shares to be taken up by the Underwriter pursuant to the Irrevocable Undertaking) not subscribed for by the Qualifying Shareholders on a fully underwritten basis. As at the Latest Practicable Date, Yue Xiu and parties acting in concert with it held 3,330,235,248 Shares, representing approximately 46.65% of the entire issued share capital of the Company. In the event that no Shareholders subscribe the Offer Shares under the Open Offer and Yue Xiu is required to take up all 2,141,422,774 Offer Shares (assuming no Outstanding Options are exercised on or before the Record Date) or all 2,159,024,974 Offer Shares (assuming all Outstanding Options are exercised on or before the Record Date) (being its underwritten commitment pursuant to the Underwriting Agreement), Yue Xiu and parties acting in concert with it will be interested in a total of 5,471,658,022 Shares (assuming no Outstanding Options are exercised on or before the Record Date), representing approximately 58.97% of the entire issued share capital of the Company as enlarged by the Open Offer or interested in a total of 5,489,260,222 Shares (assuming all Outstanding Options are exercised on or before the Record Date), representing approximately 58.67% of the entire issued share capital of the Company as enlarged by the Open Offer.

Accordingly, the underwriting by Yue Xiu will trigger an obligation for Yue Xiu and parties acting in concert with it to make a mandatory offer under Rule 26.1(c) of the Takeovers Code for all the Shares not already held by them. An application has been made by Yue Xiu to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted by the Executive or if any other conditions imposed by the Executive is not fulfilled (including the approval of the Independent Shareholders), the Open Offer will not proceed.

The Independent Board Committee, comprising Mr. Yu Lup Fat, Joseph, Mr. Lee Ka Lun, and Mr. Lau Hon Chuen, Ambrose, all being independent non-executive Directors, has been formed to advise the Independent Shareholders on the fairness and reasonableness of the terms of the Open Offer and the Whitewash Waiver. We have been appointed, after the approval by the Independent Board Committee, as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned, whether the Open Offer and the Whitewash Waiver are in the interests of the Company and the Independent Shareholders as a whole and how the Independent Shareholders should vote in respect of the Open Offer and the Whitewash Waiver.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in this Circular and the statements, information, opinions and representations provided to us by the Directors and professional advisers of the Company. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and all information, opinions and representations which have been provided to us by the Directors for which they are solely responsible are, to the best of their knowledge, true, accurate and complete at the time they were made and continue to be so on the date of this letter.

We consider that we have reviewed sufficient information and have taken sufficient and reasonable steps as required under Rule 13.80 of the Listing Rules which enables us to reach an informed view and to provide us with a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and the representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided to us by the Directors, nor have we conducted any independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver, we have considered the following principal factors:

1. **Background and Reasons for the Open Offer**

a. *Information on the Group*

The Company and its subsidiaries are principally engaged in the businesses of property development, management and investment in the PRC, including Hong Kong. The Group also holds a 35.58% interest in GZI Real Estate International Trust.

b. *Reasons for the Open Offer and the proposed use of proceeds*

It is the Company's intention to strengthen the replenishment of land reserves in order to enhance Shareholder's value. It is intended that the estimated net proceeds, being approximately HK\$3,435.19 million (assuming no Outstanding Options are exercised on or before the Record Date) or approximately HK\$3,463.53 million (assuming all Outstanding Options are exercised on or before the Record Date), from the Open Offer will be used for future land bank acquisition, which is in-line with the Company's overall business strategy.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

c. *Alternative financing*

The Directors believe that it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity capital through an open offer to finance its future expansion plan. Unlike borrowings or issuance of debt securities, the Directors consider that the Open Offer would be a preferred means for the Company to raise long-term funds without subjecting itself to interest burden or additional debt. The net proceeds of the Open Offer are expected to strengthen the Company's capital base and provide greater financial flexibility for the Company to fund its future expansion needs. The Open Offer will enable all Shareholders to participate in the future development of the Company on equitable terms.

d. *Business review and financial and trading prospects*

Independent Shareholders are suggested to refer to the paragraph headed "Business review and financial and trading prospect" in the "Letter from the Board". In particular, we noted that the Group's future intention to actively analyze acquisition opportunities and seek to acquire attractive land sites in Guangzhou to consolidate its leading position there even with its expectation of continued market adjustment in housing prices in the PRC.

As of 30 June 2010, the Group had investment properties, properties under development and undeveloped land bank with total gross floor area of approximately 8.19 million square meters. From 30 June 2010 to the Latest Practical Date, the Group has newly acquired land parcels with a total permissible gross floor area of approximately 0.98 million square meters with aggregate consideration of approximately RMB4.64 billion.

The Group will also continue to adhere to its prudent financial management. By maintaining a reasonable leverage, the Group endeavors to keep a healthy financial position to strengthen replenishment of land reserves.

View

We have reviewed the unaudited financial statements of the Company as at 30 June 2010 published in its interim accounts (the "IR 2010"). The gearing ratio (calculated based on net borrowing (total borrowings less cash and cash equivalents) divided by total capitalization (net borrowings plus shareholders' equity excluding minority interests) of the Group ("Gearing Ratio") was 40.60%, and cash and cash equivalents of the Group as at the 30 June 2010 was at RMB 6,125.13 million (equivalent to approximately HK\$7,021.01million). It was set out in the IR 2010 that the Group will increase its land reserves in the second half of the year. The Board also stated that the cash retained will be invested in the Group's core business which the Board believes will generate good return to the Shareholders.

It is our view that land bank reserves are of paramount importance to property developers for their future growth and development. The Company's intention to invest the net proceeds from the Open Offer to replenish land reserve of the Company is in its ordinary course of business to enhance Shareholders value, will increase competitiveness of the Company and is consistent and in line with the Company's existing core business and future development strategy.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The estimated net proceeds from the Open Offer of approximately HK\$3,435.19 million to HK\$3,463.53 million, if raised through debt or similar means, would inevitably increase financial burden to the Group, incur additional finance cost and increase the Gearing Ratio. On the other hand, the proposed Open Offer provides equity as a prudent balance to the Group's existing debts. Any form of placement of new Shares without first offering the existing Shareholders the opportunity to participate in the Company's equity fund raising exercise will inevitably prejudice the existing Shareholders in sharing the results of the Group and possibly result in an immediate dilution of existing Shareholders' interests in the Company. As discussed with the management of the Company, although both open offer and rights issue allow the Shareholders to maintain their respective shareholdings in the Company, the Directors considered that rights issue may incur higher administrative cost as compared to open offer, given the arrangement for trading of nil-paid rights during the offer period for the right issue.

The Open Offer is fully underwritten by Yue Xiu, the Company's controlling shareholder, which demonstrates its confidence in the Company's future and growth prospects.

Having considered the above reasons, we concur with the Directors' view that the Open Offer will strengthen the Company's capital base and provide greater financial flexibility for the Company to fund its future expansion needs and at the same time improves its leverage ratio. The Open Offer will also enable all Shareholders to participate in the future development of the Company on equitable terms, support the increasing capital requirement for the Group's business so as to maintain its competitiveness and to finance the Group's investment plan in property business.

2. Principal terms of the Open Offer

a. *Basis*

The Open Offer is on the basis of 3 Offer Shares for every 10 existing Shares in issue on the Record Date (rounded down to the nearest one) at the Subscription Price. No Offer Share will be offered to the Excluded Shareholders. Fractional entitlements will not be provisionally allotted or issued under the Open Offer, but will be aggregated and underwritten by the Underwriter. The Offer Shares (when allotted and issued) will rank *pari passu* with the Shares now in issue in all respects. Holders of the Offer Shares will be entitled to receive full future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

b. *The Subscription Price*

The Subscription Price of HK\$1.61 per Offer Share represents:

- (i) a discount of approximately 17.01% to the closing price of HK\$1.94 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 15.26% to the closing price of HK\$1.90 per Share as quoted on the Stock Exchange on the Last Trading Date;

LETTER FROM INDEPENDENT FINANCIAL ADVISER

- (iii) a discount of approximately 15.26% to the average closing prices of HK\$1.90 per Share for the last five consecutive trading days up to and including the Last Trading Date;
- (iv) a discount of approximately 13.90% to the average closing prices of HK\$1.87 per Share for the last ten consecutive trading days up to and including the Last Trading Date;
- (v) a discount of approximately 12.02% to the theoretical ex-entitlement price of approximately HK\$1.83 per Share based on the closing price of HK\$1.90 as quoted on the Stock Exchange on the Last Trading Date; and
- (vi) a discount of approximately 19.50% to the unaudited consolidated net assets value of HK\$2.00 per Share as at 30 June 2010, being the date of which the latest unaudited consolidated financial information of the Group was made up.

As stated in the “Letter from the Board”, the Subscription Price was arrived at after arm’s length negotiation between the Company and the Underwriter after taking into account, among other things, (i) recent price performance of the Shares prior to the release of the Announcement; and (ii) the compelling reasons to raise equity funding in order to support the increasing capital requirement for the Group’s business so as to maintain its competitiveness and to finance the Group’s investment plan in property business. The Directors consider that the terms of the Open Offer, including the Subscription Price and the discounts to the market price of the Shares as stated above, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

View

In order to assess the fairness and reasonableness of the Subscription Price, we reviewed completed open offers undertaken by other listed issuers whose shares are listed on the Main Board of the Stock Exchange in the past 12 months prior to the Last Trading Date (“Review Period”). These comparables during the Review Period were selected up to the Last Trading Date instead of the Latest Practicable Date as we consider these comparables are more relevant since they were the market comparables the Company could possibly refer to before terms of the Open Offer were finalized. Key findings of the comparable open offers are set out below:

Table-A

Date of announcement	Stock Code	Company Name	Basis of entitlement	Subscription Price (HK\$)	Premium/discount of subscription price over/to share closing price as at the last trading date prior to announcement	Premium/discount of subscription price to theoretical ex-entitlement price on the last trading date prior to announcement	Underwriting Commission rate
15-Jun-10	651	China Ocean Shipbuilding Industry Group Limited	1 for 2 (with 2 bonus shares for 1 offer share)	0.167 (adjusted for bonus shares)	-70.70%	52.44%	1.5%

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Date of announcement	Stock Code	Company Name	Basis of entitlement	Subscription Price (HK\$)	Premium/discount of subscription price over/to share closing price as at the last trading date prior to announcement	Premium/discount of subscription price to theoretical ex-entitlement price on the last trading date prior to announcement	Underwriting Commission rate
12-May-10	455	Yunnan Enterprises Holdings Limited	1 for 1	0.21	-72.00%	-56.30%	nil
10-May-10	485	Starlight International Holdings Limited	4 for 5	0.12	-60.00%	-45.45%	1.5%
12-Apr-10	2312	China Financial Leasing Group Limited	1 for 2	0.057	-52.10%	-42.03%	2.5%
4-Mar-10	899	Asia Resources Holdings Limited	1 for 2	0.13	-44.44%	-34.67%	2.5%
4-Feb-10	628	Dore Holdings Limited	1 for 2	0.20	-16.67%	-13.04%	nil
14-Jan-10	629	Yue Da Mining Holdings Limited	1 for 1	1.20	-46.90%	-30.64%	2%
21-Dec-09	240	Building King Holdings Limited	1 for 3	0.15	-40.00%	-33.33%	nil
10-Dec-09	660	Wai Chun Mining Industry Group Company Limited	1 for 5	0.03	-80.00%	-76.90%	1%
17-Nov-09	1195	Sinotronics Holdings Limited	1 for 2	0.18	-51.35%	-41.37%	2.5%
16-Nov-09	651	Wonson International Holdings Limited	2 for 1	0.20	-46.67%	-22.48%	1.5%
16-Nov-09	621	Wing Hing International (Holdings) Limited	2 for 5	1.80	-16.67%	-12.62%	3.21%
16-Nov-09	162	China Golden Development Holdings Limited	1 for 2	0.10	-61.54%	-51.69%	3.5%
12-Nov-09	472*	JLF Investment Company Limited	1 for 5	0.60	11.11%	9.09%	1%
9-Nov-09	929	IPE Group Limited	1 for 4	0.36	-28.00%	-23.73%	2.5%
4-Nov-09	419	Media China Corporation Limited	3 for 8	0.048	-12.73%	-9.60%	2.25%
19-Oct-09	578	Dynamic Energy Holdings Limited	1 for 2	0.20	-66.10%	-56.5%	3%

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Date of announcement	Stock Code	Company Name	Basis of entitlement	Subscription Price (HK\$)	Premium/discount of subscription price over/to share closing price as at the last trading date prior to announcement	Premium/discount of subscription price to theoretical ex-entitlement price on the last trading date prior to announcement	Underwriting Commission rate
19-Oct-09	559	Hua Yi Copper Holdings Limited	2 for 1	0.15	-57.14%	-30.88%	2.5%
15-Sep-10	123	The Company	3 for 10	1.61	-15.26%	-12.02%	nil
High					11.11%	52.44%	3.50%
Low					-80.00%	-76.90%	nil
Mean					-45.11%	-28.87%	1.83%

Source: Stock Exchange, Hong Kong

*Notes: * represents open offers involving whitewash waiver.*

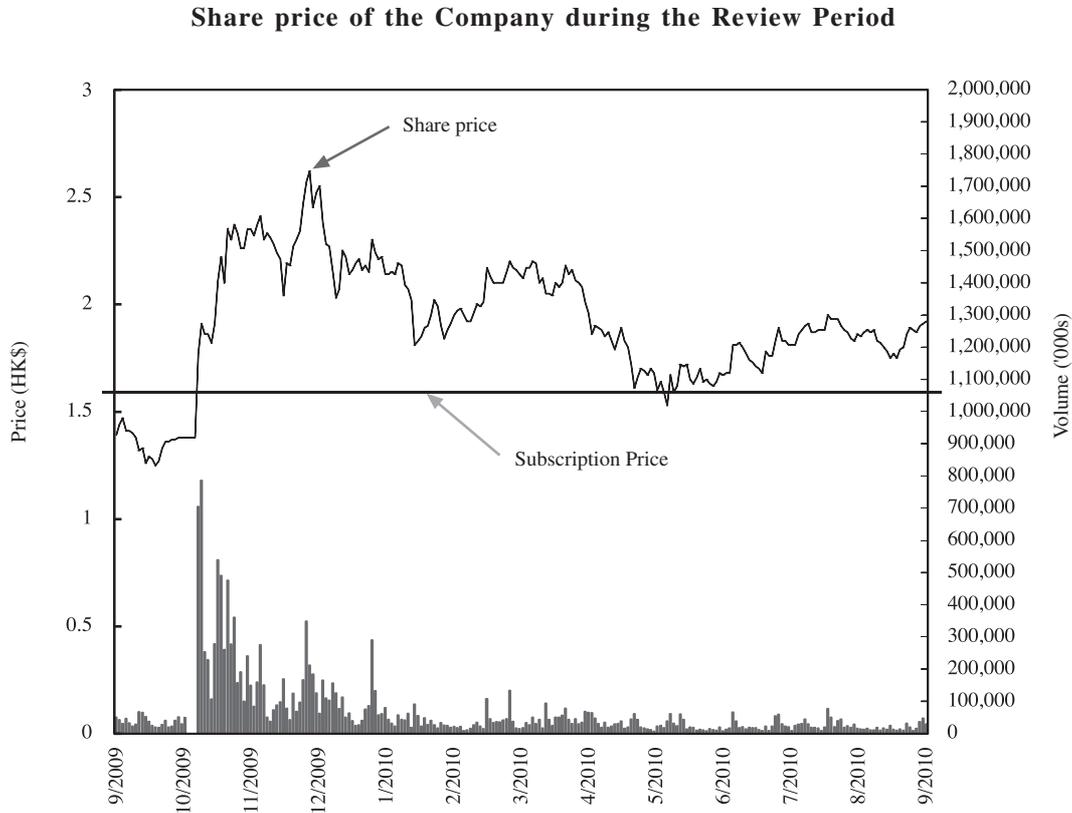
As noted from Table-A above, the subscription prices of the relevant comparables ranges from a discount of approximately 80.00% to a premium of approximately 11.11% to their respective closing share prices of the comparables as at last trading day prior to the release of relevant announcements. The subscription prices of the relevant comparables as referenced to their respective theoretical ex-entitlement price ranges from a premium of approximately 52.44% to a discount of approximately 76.90%. We note that both the discount represented by the Subscription Price to the closing price of the Shares as at the Last Trading Date of approximately 15.26% and 12.02% to the theoretical ex-entitlement price fall within the range of discounts/premium of the comparables above.

However, Independent Shareholders should note that the above comparables include open offers undertaken during the Review Period by other listed issuers, which are engaged in different business with operation models that are substantially vary from each other and they are not closely related to the PRC property sector. Even if the comparable companies are all in the same sector, they still have different operating dynamics, operating environment, geographic location, business nature, revenue model and capital structure. Accordingly, the above comparables are for the purpose of reference of sentiment in the stock market for open offers in the Review Period only and they may not form a direct benchmark to the Company or the Open Offer.

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In addition to the comparable open offers listed in Table-A above, we have also studied the share performance of the Company in the Review Period as illustrated in Figure-1 below.

Figure-1



During the Review Period, the highest and lowest closing Share prices ranged from HK\$2.62 to HK\$1.25 with average closing price of HK\$1.91 per Share. We note that the Subscription Price represents a 15.71% discount to the average closing price of HK\$1.91 in the Review Period. It is also observed that the Share prices are traded at above the Subscription Price in most of the Review Period, and we therefore consider the Subscription Price attractive. We also concur with the management of the Company that the Subscription Price is set at a discount to provide incentive for all the Independent Shareholders to take up their respective assured entitlement and to encourage Independent Shareholders to subscribe the assured entitlement of the Offer Shares under the Open Offer. Having analyzed all the above factors, we consider the Subscription Price is fair and reasonable.

c. Excess Application

As set out in the “Letter from the Board”, the Qualifying Shareholders will not be entitled to subscribe for any Offer Share in excess of their respective assured entitlements. Considering that each Qualifying Shareholder will be given equal and fair opportunities to participate in the Company’s future development by subscribing for his/her/its entitlements under the Open Offer, the Company considers that it will not spare additional effort and costs to administer the excess application procedures. All Offer Shares not taken up by the Qualifying Shareholders (excluding those to be taken

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up by Yue Xiu pursuant to the Irrevocable Undertaking) are underwritten by the Underwriter. As the related administration costs would be lowered, the Directors consider that the absence of application for excess Offer Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

View

There are market practices from time to time for listed issuers not to offer excess applications in consideration of unnecessary administrative cost. We consider that the absence of the excess application arrangement may not be desirable from the point of view of those Qualifying Shareholders who wish to take up additional Offer Shares in excess of their assured entitlements. However, taking into account that (i) the nil excess application should be balanced against the fact that the terms of the Open Offer are structured with an intention to encourage the Qualifying Shareholders to take up their respective assured entitlement of the Offer Shares as the Subscription Price is set at a discount to the prevailing market price of the Shares which provides reasonable incentive for the Qualifying Shareholders to participate in the Open Offer as illustrated in Figure-1 above; (ii) the Qualifying Shareholders who choose to accept their respective entitlements under the Open Offer in full can maintain their respective existing shareholdings in the Company after the Open Offer; (iii) the Open Offer allows the Qualifying Shareholders, who are optimistic about the future development of the Company, to exercise their rights to subscribe for the Offer Shares with a fair chance; and (iv) the nil excess application would lower the administrative cost of the Open Offer to the Company, we consider that the absence of the arrangement for excess application under the Open Offer does not give rise to less favorable situation to the Independent Shareholders than the Underwriter. As such, the absence of excess application arrangement therefore may be considered immaterial to the Qualifying Shareholders and we consider it, on balance, is acceptable.

3. The Underwriting Agreement

a. *Underwriting Commission*

No underwriting commission will be payable by the Company to the Underwriter, while the Company will reimburse the Underwriter all out-of-pocket expenses reasonably incurred in connection with the Underwriting.

View

We have observed market practices during the Review Period for the commissions charged by the underwriters for open offers which was also illustrated in Table-A above. It was noted that underwriting commissions are charged within the range of 0% to about 3.5% with a mean of 1.83%. As such, the waiving of underwriting commission by the Underwriter for the Open Offer and charging only out-of-pocket expenses for the Underwriting is below the average commission rate charged by underwriters for comparable open offers, and is fair and reasonable to the Company and the Independent Shareholders.

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b. *Termination of the Underwriting Agreement*

Subject to the fulfillment of the conditions of the Underwriting Agreement, the Open Offer will not proceed if the Underwriter exercises its termination rights under the Underwriting Agreement, details of relevant termination provisions are set out in the paragraph headed “Termination of the Underwriting Agreement” in the “Letter from the Board”.

View

We have reviewed the major terms of the Underwriting Agreement and consider relevant termination clauses in the Underwriting Agreement are customary in nature, on normal commercial terms and in line with the market practices.

4. **Potential dilution effect of the Open Offer to the Independent Shareholders**

As the Open Offer is offered to all Qualifying Shareholders on the same basis, the Qualifying Shareholders will be able to maintain their proportional interests in the Company if they take up their respective assured allotments under the Open Offer in full. Any Qualifying Shareholders who choose not to apply for their full allotments under the Open Offer will have their shareholdings in the Company diluted by up to a maximum of approximately 23.08% from their existing shareholding interest. In the event that all the Qualifying Shareholders (other than the Underwriter) decide not to take up the provisional allotments of the proposed Open Offer and the Underwriter has taken up all the provisional allotments in its capacity as the Underwriter, the public shareholding in the Company will be reduced from approximately 53.28% to approximately 40.64% or 40.97% depending on if all the outstanding stock options are exercised, as the case may be.

View

In all cases of rights issues and open offers, the dilution on the shareholding of those Qualifying Shareholders who do not apply for their full allotments is inevitable. Taking into account (i) the inherent dilutive nature of open offer in general; and (ii) the Open Offer enables the Qualifying Shareholders to maintain their proportionate interests in the Company should they wish to, we are of the view that such potential dilution of the Open Offer on the shareholding of the Independent Shareholders is acceptable.

5. **Financial effects of the Open Offer**

a. *Net asset value*

The net proceeds raised from the Open Offer is approximately HK\$3,435.19 million (assuming no Outstanding Options are exercised on or before the Record Date) or approximately HK\$3,463.53 million (assuming all Outstanding Options are exercised on or before the Record Date).

Upon completion of the Open Offer, the net asset value of the Group attributable to the Shareholders based on the IR 2010 will be increased from approximately RMB12,430.56 million (HK\$14,248.69 million) to approximately RMB15,427.42 million (HK\$17,683.88 million) (assuming

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no Outstanding Options are exercised on or before the Record Date) or approximately RMB15,452.15 million (HK\$17,712.22 million) (assuming all Outstanding Options are exercised on or before the Record Date). Therefore, the Open Offer will enhance the net asset position of the Group as a whole.

b. *Working capital and cash position*

According to the IR 2010, the Group's cash and cash equivalents as at 30 June 2010 was approximately RMB7,336.30 million (HK\$8,409.33 million). The working capital as well as the cash position of the Group will be increased by the net proceeds from the Open Offer of approximately HK\$3,435.19 million (assuming no Outstanding Options are exercised on or before the Record Date) or approximately HK\$3,463.53 million (assuming all Outstanding Options are exercised on or before the Record Date). Therefore, the Open Offer will strengthen the Group's working capital and cash position.

c. *Gearing*

Pursuant to the IR 2010, the Gearing Ratio of the Company was 40.60%. Following the Completion, the cash balance of the Company will be increased by the net proceeds from the Open Offer and the Gearing Ratio of the Group will be improved to approximately 35.51% (assuming no Outstanding Options are exercised on or before the Record Date) or approximately 35.48% (assuming all Outstanding Options are exercised on or before the Record Date).

6. **The Whitewash Waiver and the effect of approval for granting the Whitewash Waiver**

As at the Latest Practicable Date, Yue Xiu and parties acting in concert with it held 3,330,235,248 Shares, representing approximately 46.65% of the entire issued share capital of the Company. In the event that Yue Xiu is required to take up all its commitment under the Underwriting Agreement, Yue Xiu and parties acting in concert with it will be interested in a total of 5,471,658,022 Shares (assuming no Outstanding Options are exercised on or before the Record Date), representing approximately 58.97% of the entire issued share capital of the Company as enlarged by the Open Offer or interested in a total of 5,489,260,222 Shares, representing approximately 58.67% of the entire issued share capital of the Company as enlarged by the Open Offer. Accordingly, the underwriting by Yue Xiu will trigger an obligation for Yue Xiu and parties acting in concert with it to make a mandatory general offer under Rule 26.1(c) of the Takeovers Code for all the Shares not already held by them. An application has been made by Yue Xiu to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll.

If the Whitewash Waiver is not granted by the Executive or if any other conditions imposed by the Executive is not fulfilled (including the approval of the Independent Shareholders), the Open Offer will not proceed. The Executive has indicated that the Whitewash Waiver will be granted subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

View

Having considered that (i) approving the Whitewash Waiver at the EGM is one of the conditions precedent to the implementation of the proposed Open Offer; (ii) the terms of the Open Offer are fair and reasonable so far as the Independent Shareholders are concerned; (iii) if the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders at the EGM, the Open Offer will not proceed; and (iv) the Company, which will lose all the benefits that are expected to be brought by the completion of the Open Offer, we thus believe that it would also be reasonable for the Independent Shareholders to vote in favor of the Whitewash Waiver.

Independent Shareholders should note that if the Whitewash Waiver is granted, upon completion of the Open Offer, the shareholding of Yue Xiu, which is 46.65% of the entire issued share capital of the Company as at the Latest Practicable Date, will have the possibility to be increased to more than 50% of the enlarged issued share capital of the Company if the Shareholders do not take up their assured entitlements. Accordingly, Yue Xiu and parties acting in concert with it may increase their holding in the Company without incurring any further obligation under Rule 26 of the Takeovers Code to make a mandatory general offer.

RECOMMENDATION

Having taken into consideration the principal factors and reasons as set out above, including:

1. Background and Reasons for the Open Offer;
2. Principal terms of the Open Offer;
3. The Underwriting Agreement;
4. Potential dilution effect of the Open Offer to the Independent Shareholders;
5. Financial effects of the Open Offer; and
6. The Whitewash Waiver and the effect of approval for granting of the Whitewash Waiver,

we are of the view that the Open Offer is on normal commercial terms, which are fair and reasonable so far as the Independent Shareholders are concerned and it is in the interests of the Company and the Independent Shareholders as a whole. As the Open Offer is conditional upon the grant of the Whitewash Waiver, we recommend the Independent Shareholders to vote in favor of the ordinary resolutions approving the Open Offer and the Whitewash Waiver at the EGM and advise the Independent Board Committee to make the same recommendation.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Independent Shareholders are however reminded to note the recent fluctuation in the Share price after release of the Announcement, and that there is no guarantee that the current market price will or will not sustain, or will or will not be higher than the Subscription Price from the Latest Practicable Date to immediately prior to the latest time for acceptance of the Open Offer and after the dealing of the Offer Shares commences. Independent Shareholders, especially those who intend to subscribe for the Offer Shares, are also reminded to closely monitor the market price and the liquidity of the Shares.

Yours faithfully,

For and on behalf of

YU MING INVESTMENT MANAGEMENT LIMITED

Warren Lee

Director

1. Summary of financial information of the Group

The following table summarises the results, assets and liabilities of the Group for the last three financial years ended 31 December 2009, extracted from the relevant published annual reports of Yuexiu Property Company Limited without taking into account the change in accounting policy and the adoption of an amendment to Hong Kong Financial Reporting Standards during the six months ended 30 June 2010 as explained below. The financial information as at and for the year ended 31 December 2007 and 2008 have been restated to conform with the presentation of financial statements for the year ended 31 December 2009. The accounting policies currently adopted by the Group are set out in note 3 of the unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2010 as included in section 2 of this appendix.

Selected consolidated income statement items

	For the year ended 31 December		
	2007	2008	2009
	HK\$'000	HK\$'000	HK\$'000
	Restated	Restated	
Revenue	<u>5,244,380</u>	<u>3,158,523</u>	<u>5,300,212</u>
Profit before tax	1,756,330	563,488	1,515,018
Taxation	(425,041)	(137,076)	(713,748)
Profit before minority interests	1,368,571	973,480	(292,350)
Minority interests	(337,250)	(365,516)	(405,064)
Profit attributable to equity holders of the Company	<u>1,031,321</u>	<u>607,964</u>	<u>(697,414)</u>
Dividends	341,779	242,313	660,403
Dividends per share (HK cents)	4.8	3.4	9.3
Basic earnings per share (HK cents)			
From continuing operations	14.60	5.86	10.17
From discontinued operations	0.28	2.67	(19.95)
	<u>14.88</u>	<u>8.53</u>	<u>(9.78)</u>

Selected consolidated balance sheet items

	As at 31 December		
	2007	2008	2009
	HK\$'000	HK\$'000	HK\$'000
	Restated	Restated	
Total assets	44,077,753	42,932,994	41,419,688
Total liabilities	23,421,853	21,795,492	27,658,397
Minority interests	6,866,145	6,658,384	460,411
Shareholders' funds	<u>13,789,755</u>	<u>14,479,118</u>	<u>13,300,880</u>

Note 1 During the six months ended 30 June 2010, the Group has changed the presentation currency of its financial statements from Hong Kong dollar to Renminbi. The Board of Directors consider the change will result in a more appropriate presentation of the Group's transactions in the financial statements.

Note 2 During the six months ended 30 June 2010, the Group changed its accounting policy for leasehold land and land use rights which is held for development for sale. Leasehold land and land use rights which are held for development for sale meet the definition of both inventories under Hong Kong Accounting Standard (“HKAS”) 2 “Inventories” and leasehold land and land use rights under HKAS 17 “Leases”. Previously, leasehold land and land use rights that are held for development for sale were classified as prepaid operating leases and payments were amortised on a straight line basis over the period of the lease in accordance with HKAS 17. Amortisation of leasehold land and land use rights during the development phase was capitalised as part of the construction cost of the property. Amortisation charges incurred prior to development and following completion of the property were recognised in profit or loss. Subsequent to the change in accounting policy, leasehold land and land use rights which is held for development for sale are classified as inventories in accordance with HKAS 2 and measured at the lower of cost and net realisable value.

Management believes that the new classification of leasehold land and land use rights as inventories results in a more relevant presentation of the financial position and performance of the Group. The revised treatment reflects management’s intent regarding the use of the leasehold land and land use rights and results in a presentation consistent with industry practice.

The change in accounting policy has been accounted for retrospectively and the effect of the change in accounting policy mentioned above to the financial information of the Group for each of the years ended 31 December 2007, 2008 and 2009 is as follows:

Effect to selected consolidated income statement items

	For the year ended 31 December		
	2007	2008	2009
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Increase in profit before tax	28,926	77,811	15,412
Increase in taxation	7,164	19,376	4,994
Increase in profit attributable to equity holders of the Company	19,772	56,197	6,899
Increase in minority interests	<u>1,990</u>	<u>2,238</u>	<u>3,519</u>

Effect to selected consolidated balance sheet items

	As at 31 December		
	2007	2008	2009
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Increase in total assets	448,866	556,826	570,711
Increase in total liabilities	155,159	184,724	187,591
Increase in minority interests	16,285	19,600	23,153
Increase in shareholders’ funds	<u>277,422</u>	<u>352,502</u>	<u>359,967</u>

Note 3 The following new amendment to standard is mandatory for the first time for the financial year beginning 1 January 2010:

HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

HKAS 17 (amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating leases to finance leases.

The accounting for land interest classified as finance lease is as below:

- If the property interest is held for own use, that land interest is accounted for as property, plant and equipment and is depreciated from the land interest available for its intended use over the shorter of the useful life of the asset and the lease term.
- If the property interest is held for sale in the ordinary course of business or is in the process of being developed for such sale, that land interest is accounted for as inventory under "Properties held for sale" or "Properties under development" respectively, and stated at the lower of cost and net realisable value. Prior to the amendment, the amortisation of the land interest during the construction period is capitalised.

The effect of the adoption of this amendment to the financial information of the Group for each of the years ended 31 December 2007, 2008 and 2009 is as follows:

Effect to selected consolidated income statement items

	For the year ended 31 December		
	2007	2008	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Increase in profit attributable to the equity holders of the Company	<u>82</u>	<u>92</u>	<u>95</u>

Effect to selected consolidated balance sheet items

	As at 31 December		
	2007	2008	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Increase in total assets	180	272	367
Increase in shareholders' funds	<u>180</u>	<u>272</u>	<u>367</u>

Note 4 Apart from the change in accounting policy and the adoption of the amendment to the Hong Kong Financial Reporting Standards as mentioned in notes 1 to 3 above, there is no other change in the Company's accounting policies during the six months ended 30 June 2010.

Note 5 There were no exceptional items because of size, nature and incidence during each of the years ended 31 December 2007, 2008 and 2009.

2. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2010

The following financial information is extracted from the published unaudited condensed consolidated financial information of the Company for the six months ended 30 June 2010.

Condensed Consolidated Income Statement

For the six months ended 30 June 2010

	Note	Unaudited	
		Six months ended 30 June	
		2010	2009
		RMB'000	RMB'000
Revenue	5	1,037,347	2,211,526
Cost of sales	6	(607,590)	(1,408,801)
Gross profit		429,757	802,725
Proceeds from sales of investment properties		702,296	51,651
Direct costs of investment properties sold		(499,812)	(36,797)
Gain on sales of investment properties		202,484	14,854
Fair value gains on revaluation of investment properties		187,168	307,564
Selling and distribution expenses	6	(92,091)	(74,993)
General and administrative expenses	6	(312,619)	(266,903)
Operating profit		414,699	783,247
Finance income		12,384	35,169
Net foreign exchange gain on financing activities		29,039	1,512
Finance costs		(73,100)	(12,842)
Share of profits of			
- jointly controlled entities		45,979	133
- associated entities		97,486	41,665
Profit before tax		526,487	848,884
Taxation	7	(139,361)	(279,250)
Profit for the period from continuing operations		387,126	569,634
Discontinued operation			
Profit for the period from discontinued operation	22	—	179,307
Profit for the period		387,126	748,941
Attributable to			
Equity holders of the Company		355,660	604,750
Minority interests		31,466	144,191
		387,126	748,941

APPENDIX I
FINANCIAL INFORMATION

	<i>Note</i>	Unaudited	
		Six months ended 30 June	
		2010	2009
		<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period attributable to equity holders of the Company			
From continuing operations		355,660	534,402
From discontinued operation		—	70,348
		<u>355,660</u>	<u>604,750</u>
Profit for the period attributable to minority interests			
From continuing operations		31,466	35,232
From discontinued operation		—	108,959
		<u>31,466</u>	<u>144,191</u>
Earnings per share for profit from continuing operations and profit from discontinued operation attributable to equity holders of the Company (expressed in RMB per share)	8		
- Basic			
From continuing operations		0.0498	0.0750
From discontinued operation		—	0.0099
		<u>0.0498</u>	<u>0.0849</u>
- Diluted			
From continuing operations		0.0495	0.0747
From discontinued operation		—	0.0098
		<u>0.0495</u>	<u>0.0845</u>
		<i>RMB'000</i>	<i>RMB'000</i>
Dividend	9	<u>—</u>	<u>50,451</u>

Condensed Consolidated Statement of Comprehensive Income*For the six months ended 30 June 2010*

	Unaudited	
	Six months ended 30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	387,126	748,941
Other comprehensive income:		
Currency translation differences	(23,318)	(11,566)
Change in fair value of available-for-sale financial assets, net of tax	23,101	254,265
Other comprehensive income for the period, net of tax	(217)	242,699
Total comprehensive income for the period	386,909	991,640
Attributable to		
Equity holders of the Company	354,085	840,642
Minority interests	32,824	150,998
	386,909	991,640

APPENDIX I**FINANCIAL INFORMATION****Condensed Consolidated Balance Sheet***As at 30 June 2010*

		As at	
	<i>Note</i>	30 June 2010	31 December 2009
		Unaudited	Audited
		<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,890,078	1,579,667
Investment properties	11	7,562,101	7,489,527
Leasehold land and land use rights	12	556,511	552,514
Interests in jointly controlled entities		214,934	170,451
Interests in associated entities		1,579,353	1,527,023
Available-for-sale financial assets		1,109,821	1,082,483
Deferred tax assets	20	40,864	41,310
		<u>12,953,662</u>	<u>12,442,975</u>
Current assets			
Properties under development		19,140,070	15,112,096
Properties held for sale		756,341	902,225
Prepayments for land use rights		1,298,660	1,375,949
Inventories		108,559	90,939
Trade receivables	14	25,968	53,050
Other receivables, prepayments and deposits		1,726,871	548,356
Taxation recoverable		515,558	334,069
Charged bank deposits		1,211,171	1,845,200
Cash and cash equivalents		6,125,126	4,327,915
		<u>30,908,324</u>	<u>24,589,799</u>
LIABILITIES			
Current liabilities			
Trade payables	15	101,582	122,107
Land premium payable		439,182	439,182
Advance receipts from customers		8,290,004	4,075,049
Other payables and accrued charges		4,140,078	3,962,375
Borrowings	16	3,168,920	1,887,472
Taxation payable		839,902	829,204
		<u>16,979,668</u>	<u>11,315,389</u>
Net current assets		<u>13,928,656</u>	<u>13,274,410</u>
Total assets less current liabilities		<u>26,882,318</u>	<u>25,717,385</u>

APPENDIX I**FINANCIAL INFORMATION**

		As at	
	<i>Note</i>	30 June 2010 Unaudited RMB'000	31 December 2009 Audited RMB'000
Non-current liabilities			
Borrowings	16	11,451,799	10,705,914
Deferred tax liabilities	20	<u>2,513,451</u>	<u>2,496,220</u>
		<u>13,965,250</u>	<u>13,202,134</u>
Net assets		<u>12,917,068</u>	<u>12,515,251</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	17	668,298	668,202
Other reserves	19	7,262,116	7,260,823
Retained earnings	19	<u>4,500,148</u>	<u>4,146,724</u>
		12,430,562	12,075,749
Minority interests		<u>486,506</u>	<u>439,502</u>
Total equity		<u>12,917,068</u>	<u>12,515,251</u>

Condensed Consolidated Cash Flow Statement*For the six months ended 30 June 2010*

	Unaudited	
	Six months ended 30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(920,139)	(112,944)
Net cash generated from/(used in) investing activities	659,456	(610,797)
Net cash generated from financing activities	<u>2,058,680</u>	<u>1,297,983</u>
Increase in cash and cash equivalents	1,797,997	574,242
Cash and cash equivalents at the beginning of period	4,327,511	3,083,247
Transfer to non-current assets held for sale	—	(22,629)
Exchange gains on cash and cash equivalents	<u>(627)</u>	<u>(712)</u>
Cash and cash equivalents at the end of period	<u><u>6,124,881</u></u>	<u><u>3,634,148</u></u>
Analysis of balances of cash and cash equivalents		
Bank balances and cash	6,125,126	3,634,335
Bank overdrafts	<u>(245)</u>	<u>(187)</u>
	<u><u>6,124,881</u></u>	<u><u>3,634,148</u></u>

Condensed Consolidated Statement of Changes in Equity*For the six months ended 30 June 2010*

	Unaudited			Total
	Attributable to equity holders of the Company			
	Share capital	Reserves	Minority interests	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at 1 January 2010, as previously reported	668,202	11,090,259	419,116	12,177,577
Effect of adoption of amendment to HKAS 17	—	337	—	337
Effect of voluntary change in accounting policy	—	316,951	20,386	337,337
Balance at 1 January 2010, as restated	<u>668,202</u>	<u>11,407,547</u>	<u>439,502</u>	<u>12,515,251</u>
Comprehensive income				
Profit for the period	—	355,660	31,466	387,126
Other comprehensive income				
Currency translation differences	—	(23,318)	—	(23,318)
Change in fair value of available-for-sale financial assets, net of tax	—	21,743	1,358	23,101
Other comprehensive income for the period, net of tax	<u>—</u>	<u>(1,575)</u>	<u>1,358</u>	<u>(217)</u>
Total comprehensive income for the period	<u>—</u>	<u>354,085</u>	<u>32,824</u>	<u>386,909</u>
Transactions with owners				
Employee share options scheme - value of employee services	—	78	—	78
Issue of shares net of issuing expenses	96	554	—	650
Capital injection to a subsidiary	—	—	14,180	14,180
Total transactions with owners	<u>96</u>	<u>632</u>	<u>14,180</u>	<u>14,908</u>
Balance at 30 June 2010	<u>668,298</u>	<u>11,762,264</u>	<u>486,506</u>	<u>12,917,068</u>

	Unaudited			Total RMB'000
	Attributable to equity holders of the Company			
	Share capital RMB'000	Reserves RMB'000	Minority interests RMB'000	
Balance at 1 January 2009, as previously reported	667,345	12,145,826	5,886,112	18,699,283
Effect of adoption of amendment to HKAS 17	—	253	—	253
Effect of voluntary change in accounting policy	—	310,873	17,285	328,158
Balance at 1 January 2009, as restated	<u>667,345</u>	<u>12,456,952</u>	<u>5,903,397</u>	<u>19,027,694</u>
Comprehensive income				
Profit for the period	—	604,750	144,191	748,941
Other comprehensive income				
Currency translation differences	—	(5,660)	(5,906)	(11,566)
Change in fair value of available-for-sale financial assets, net of tax	—	241,552	12,713	254,265
Other comprehensive income for the period, net of tax	—	235,892	6,807	242,699
Total comprehensive income for the period	—	840,642	150,998	991,640
Transactions with owners				
Employee share options scheme - value of employee services	—	226	—	226
Issue of shares net of issuing expenses	58	338	—	396
Acquisition of a subsidiary	—	—	15,059	15,059
Dividend paid	—	(50,451)	(144,113)	(194,564)
Total transactions with owners	58	(49,887)	(129,054)	(178,883)
Balance at 30 June 2009	<u>667,403</u>	<u>13,247,707</u>	<u>5,925,341</u>	<u>19,840,451</u>

Notes to the Condensed Consolidated Interim Financial Information**1 GENERAL INFORMATION**

Yuexiu Property Company Limited (“Company”) and its subsidiaries (“Group”) is principally engaged in development, operation and management of toll highways and bridges (disposed of in 2009), development, selling and management of properties and holding of investment properties. The Group’s operations are primarily conducted in Hong Kong and Mainland China (“China”).

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited and Singapore Exchange Securities Trading Limited.

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board of Directors on 20 August 2010.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” and should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

During the period ended 30 June 2010, the Group has changed the presentation currency of its financial statements from Hong Kong dollar to RMB. The Board of Directors considers the change will result in a more appropriate presentation of the Group’s transactions in the financial statements. The comparative figures in this condensed consolidated interim financial information are translated from Hong Kong dollar to RMB using the rates that approximate the closing rates for balance sheet items and average rates for the period under review for income statement items. As a result, the comparative figures have been re-presented and resulted in the decrease of exchange, fluctuation reserve of approximately RMB968 million as at 30 June 2010.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) **Change in accounting policy on leasehold land and land use rights**

During the period ended 30 June 2010, the Group changed its accounting policy for leasehold land and land use rights which is held for development for sale. Leasehold land and land use rights which are held for development for sale meet the definition of both inventories under HKAS 2 “Inventories” and leasehold land and land use rights under HKAS 17 “Leases”. Previously, leasehold land and land use rights that are held for development for sale were classified as prepaid operating leases and payments were amortised on a straight line basis over the period of the lease in accordance with HKAS 17. Amortisation of leasehold land and land use rights during the development phase was capitalised as part of the construction cost of the property. Amortisation charges incurred prior to development and following completion of the property were recognised in profit or loss. Subsequent to the change in accounting policy, leasehold land and land use rights which are held for development for sale are classified as inventories in accordance with HKAS 2 and measured at the lower of cost and net realisable value.

Management believes that the new classification of leasehold land and land use rights as inventories results in a more relevant presentation of the financial position of the Group, and of its performance for the period. The revised treatment reflects management’s intent regarding the use of the leasehold land and land use rights and results in a presentation consistent with industry practice.

The change in accounting policy has been accounted for retrospectively and the condensed consolidated interim financial information has been restated by reversing the amortisation charged in prior years. The effect on the condensed consolidated interim financial information is as follows:

Condensed consolidated income statement	Six months ended 30 June	
	2010	2009
	<i>RMB’000</i>	<i>RMB’000</i>
Decrease in cost of sales	(56,792)	(5,145)
Increase in share of profits of jointly controlled entities	153	153
Increase in share of profits of associated entities	54	21
Increase in taxation	16,808	1,922
Increase in profit attributable to equity holders of the Company	37,944	1,871
Increase in profit attributable to minority interests	2,247	1,526
Increase in basic and diluted earnings per share (in RMB)	<u>0.0056</u>	<u>0.0005</u>

Condensed consolidated balance sheet	As at	
	30 June 2010 RMB'000	31 December 2009 RMB'000
Decrease in leasehold land and land use rights — non-current	(6,103,210)	(4,182,098)
Increase in interests in jointly controlled entities	5,526	5,372
Increase in interests in associated entities	369	315
Decrease in deferred tax assets	(31,899)	(31,872)
Increase in properties under development	12,318,033	10,376,919
Increase in properties held for sale	152,780	197,071
Decrease in leasehold land and land use rights — current	(5,782,116)	(5,863,196)
Increase in deferred tax liabilities	181,955	165,174
Increase in retained earnings	354,895	316,951
Increase in minority interests	<u>22,633</u>	<u>20,386</u>

(b) Amended standard adopted by the Group

The following new amendment to standard is mandatory for the first time for the financial year beginning 1 January 2010:

HKAS 17 (Amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating leases to finance leases.

The accounting for land interest classified as finance lease is as below:

- If the property interest is held for own use, that land interest is accounted for as property, plant and equipment and is depreciated from the land interest available for its intended use over the shorter of the useful live of the asset and the lease term.
- If the property interest is held for sale in the ordinary course of business or is in the process of being developed for such sale, that land interest is accounted for as inventory under

“Properties held for sale” or “Properties under development” respectively, and stated at the lower of cost and net realisable value. Prior to the amendment, the amortisation of the land interest during the construction period is capitalised.

The effect of the adoption of this amendment is as below:

Condensed consolidated income statement	Six months ended 30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Increase/(decrease) in cost of sales	350	(42)
(Decrease)/increase in profit attributable to equity holders of the Company	<u>(350)</u>	<u>42</u>
	As at	
	30 June	31 December
Condensed consolidated balance sheet	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Increase in property, plant and equipment	277,474	281,382
Decrease in leasehold land — non-current	(804,348)	(813,148)
Increase in properties under development	723,649	730,368
Increase in properties held for sale	—	3,531
Decrease in leasehold land — current	(196,775)	(201,796)
Increase in retained earnings	—	350
Decrease in exchange fluctuation reserve	<u>—</u>	<u>(13)</u>

(i) *Property, plant and equipment*

Leasehold land classified as finance lease is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the land interest. Depreciation commences from the land interest becomes available for its intended use, and is calculated using straight-line method to allocate the cost over the remaining lease terms of 58 to 60 years.

(ii) *Properties under development and held for sale*

Properties under development and held for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

(c) The following amendments, revision and interpretation to existing standards effective in 2010 but not relevant to the Group:

- HKAS 39 (Amendment), ‘Eligible Hedged Items’ is effective for annual period on or after 1 July 2009. That is not currently applicable to the Group, as it has no hedging.
- ‘Additional Exemptions for First-time Adopters’ (Amendment to HKFRS 1) is effective for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing HKFRS preparer.
- HKFRS 2 (Amendment), ‘Group Cash-settled Share-based Payment Transaction’ is effective for annual periods beginning on or after 1 January 2010. This is not currently applicable to the Group, as it has no such share-based payment transactions.
- HKFRS 3 (Revised), ‘Business Combinations’, and consequential amendments to HKAS 27, ‘Consolidated and Separate Financial Statements’, HKAS 28, ‘Investments in Associates’, and HKAS 31, ‘Interests in Joint Ventures’, are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has no business combination for which the acquisition date is on or after 1 July 2009.
- HK(IFRIC) - Int 17, ‘Distributions of Non-cash Assets to Owners’ is effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.
- First improvements to HKFRS (2008) were issued in October 2008 by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The improvement related to HKFRS 5 “Non-current assets held for sale and discontinued operations” is effective for annual period on or after 1 July 2009.
- Second improvements to HKFRS (2009) were issued in May 2009 by the HKICPA. All improvements are effective in the financial year of 2010.

(d) **The following new standards, new interpretation, amendments and revision to standards and interpretation have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:**

- HKFRS 9, 'Financial Instruments' addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess HKFRS 9's full impact. However, initial indications are that it may affect the Group's accounting for its available-for-sale financial assets, as HKFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the Group recognised approximately RMB23 million of such gains (net of tax) in other comprehensive income. The Group has not yet decided when to adopt HKFRS 9.
- HKAS 24 (Revised) 'Related Party Disclosures' supersedes HKAS 24 'Related Party Disclosures' issued in 2003. The revised HKAS 24 is required to be applied from 1 January 2011. Earlier application, for either the entire standard or the government-related entity, is permitted. The Group will apply the revised HKAS 24 from 1 January 2011.
- Under 'Classification of Rights Issues' (Amendment to HKAS 32), for rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after 1 February 2010. Earlier application is permitted. This is not currently applicable to the Group.
- Amendments to HK(IFRIC) Int - 14 'Prepayments of a Minimum Funding Requirement' corrects an unintended consequence of HK(IFRIC) Int-14, 'HKAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'. Without the amendments, entities are not permitted to recognise as an asset for any surplus arising from the voluntary prepayment of minimum funding contributions in respect of future service. This was not intended when HK(IFRIC) Int - 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. This is not currently applicable to the Group.
- HK(IFRIC) - Int 19, 'Extinguishing Financial Liabilities with Equity Instruments' clarifies the requirements of HKFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted. This is not relevant to the Group as the Group does not have such arrangement.

- ‘Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters’ (Amendment to HKFRS 1) provide first-time adopters with the same transition provisions as included in the amendment to HKFRS 7 in relation to relief from presenting comparative information that ended before 31 December 2009 for new fair value disclosures requirements. This is required to be applied for annual periods beginning on or after 1 July 2010. Early adoption is permitted. This is not relevant to the Group, as it is an existing HKFRS preparer.
- Third improvements to HKFRS (2010) were issued in May 2010 by the HKICPA. All improvements are effective in the financial year of 2011.

Management is in the process of making an assessment of the impact of these new standards, new interpretation, amendments and revision to standards and interpretation and is not yet in a position to state whether they would have a significant impact on the Group’s results of operations and financial position.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities are discussed below.

(a) Impairment of leasehold land and land use rights and property, plant and equipment

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of property, plant and equipment, leasehold land and land use rights have been determined based on the higher of their value-for-sale or value-in-use, taking into account the latest market information and past experience.

(b) Net realisable value of properties under development and properties held for sale

The Group writes down properties under development and properties held for sale to net realisable value based on assessment of the realisability of properties under development and properties held for sale which takes into account cost to completion based on past experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease which may result in writing down properties under development and properties held for sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the

balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of properties under development and properties held for sale is adjusted in the period in which such estimate is changed.

(c) Fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), with adjustments to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimate of fair value are those relating to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield, and actual transactions of the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(d) Provision for withholding income tax on undistributed profits

The Group is subject to withholding income tax on undistributed profits of its foreign-invested enterprises in China. Significant judgement is required in determining the dividend pay-out

policy of the foreign-invested enterprises controlled by the Group and the amount of the provision for withholding income tax. The Group monitors its dividend pay-out policy and may demand for dividend distribution from the foreign-invested enterprises controlled by the Group. This may result in additional tax provisions as disclosed in Note 7.

(e) **Current and deferred income tax**

The Group is subject to income tax primarily in China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the land appreciation tax, income tax and deferred tax provisions in the period in which such determination are made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimate is changed.

(f) **Depreciation of property, plant and equipment**

The Group depreciates its property, plant and equipment on a straight-line basis over their estimated useful lives, after taking into account their estimated residual value commencing from the date the asset is placed into productive use. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

(g) **Accruals for construction cost of public facilities**

The Group is required to construct certain public facilities in connection with obtaining certain land use rights for construction of properties in China. The Group estimates the accruals for these costs for construction based on historical actual construction costs as adjusted for the effect of inflation. The Group regularly updates the construction schedules of public facilities and reviews the adequacy of the accrued balance.

(h) **Fair value of available-for-sale financial assets**

The best evidence of fair value is current prices in an active market for similar available-for-sale financial assets. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for the available-for-sale financial assets of different nature, condition or location, with adjustments to reflect those differences; and

- (ii) recent prices of similar available-for-sale financial assets in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(i) **Impairment of trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. The amount of the provision is recognised in the condensed consolidated income statement. In determining whether there is any impairment, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors (the "Board"). Management determines the operating segments based on the Group's internal reports, which are then submitted to the Board for performance assessment and resources allocation.

The Board considers the business by nature of business activities and assesses the performance of property development, property management, property investment and toll operations (disposed of in 2009) and others.

The Board assesses the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Other information provided, except as noted below, to the Board is measured in a manner consistent with that in the condensed consolidated income statement.

Total assets excluded deferred tax assets, taxation recoverable and corporate assets. Corporate assets are not directly attributable to segments.

APPENDIX I
FINANCIAL INFORMATION

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the condensed consolidated income statement.

	Property development	Property management	Property investment	Others	Total continuing operations	Discontinued operations (Toll operations)	Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2010							
Revenue	382,662	184,310	154,103	513,932	1,235,007	—	1,235,007
Inter-segment revenue	—	(5,403)	(988)	(191,269)	(197,660)	—	(197,660)
Revenue from external customers	<u>382,662</u>	<u>178,907</u>	<u>153,115</u>	<u>322,663</u>	<u>1,037,347</u>	<u>—</u>	<u>1,037,347</u>
Segment results	<u>54,122</u>	<u>4,133</u>	<u>352,814</u>	<u>24,865</u>	<u>435,934</u>	<u>—</u>	<u>435,934</u>
Share of profits of							
- jointly controlled entities	45,979	—	—	—	45,979	—	45,979
- associated entities	<u>97,486</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>97,486</u>	<u>—</u>	<u>97,486</u>
Six months ended 30 June 2009							
Revenue	1,649,758	171,218	120,236	374,477	2,315,689	446,998	2,762,687
Inter-segment revenue	—	(15,206)	(434)	(88,523)	(104,163)	—	(104,163)
Revenue from external customers	<u>1,649,758</u>	<u>156,012</u>	<u>119,802</u>	<u>285,954</u>	<u>2,211,526</u>	<u>446,998</u>	<u>2,658,524</u>
Segment results	<u>346,851</u>	<u>9,780</u>	<u>418,502</u>	<u>17,739</u>	<u>792,872</u>	<u>221,557</u>	<u>1,014,429</u>
Share of profits/(losses) of							
- jointly controlled entities	133	—	—	—	133	(10,042)	(9,909)
- associated entities	<u>41,665</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>41,665</u>	<u>125,723</u>	<u>167,388</u>

APPENDIX I
FINANCIAL INFORMATION

	Property development <i>RMB'000</i>	Property management <i>RMB'000</i>	Property investment <i>RMB'000</i>	Others <i>RMB'000</i>	Group <i>RMB'000</i>
As at 30 June 2010					
Segment assets	32,495,086	256,625	7,562,101	460,038	40,773,850
Interests in jointly controlled entities	214,934	—	—	—	214,934
Interests in associated entities	<u>1,579,353</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,579,353</u>
Total assets	<u>34,289,373</u>	<u>256,625</u>	<u>7,562,101</u>	<u>460,038</u>	<u>42,568,137</u>
As at 31 December 2009					
Segment assets	25,717,896	206,077	7,489,527	526,581	33,940,081
Interests in jointly controlled entities	170,451	—	—	—	170,451
Interests in associated entities	<u>1,527,023</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,527,023</u>
Total assets	<u>27,415,370</u>	<u>206,077</u>	<u>7,489,527</u>	<u>526,581</u>	<u>35,637,555</u>

A reconciliation of total segment results to profit before tax and discontinued operation is provided as follows:

	Six months ended 30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Segment results	435,934	792,872
Unallocated operating costs	<u>(21,235)</u>	<u>(9,625)</u>
Operating profit	414,699	783,247
Finance income	12,384	35,169
Net foreign exchange gain on financing activities	29,039	1,512
Finance costs	(73,100)	(12,842)
Share of profits of		
- jointly controlled entities	45,979	133
- associated entities	<u>97,486</u>	<u>41,665</u>
Profit before tax and discontinued operation	<u>526,487</u>	<u>848,884</u>

A reconciliation of reportable segments' assets to total assets is provided as follows:

	As at	
	30 June 2010 <i>RMB'000</i>	31 December 2009 <i>RMB'000</i>
Total segment assets	42,568,137	35,637,555
Deferred tax assets	40,864	41,310
Taxation recoverable	515,558	334,069
Corporate assets	<u>737,427</u>	<u>1,019,840</u>
Total assets	<u>43,861,986</u>	<u>37,032,774</u>

Information about geographical areas is provided as follows:

	Revenue from continuing operations		Total assets	
	Six months ended 30 June		As at 30 June	As at 31 December
	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Hong Kong	85,287	61,795	1,975,108	1,986,255
China	951,549	2,149,208	40,554,229	33,612,454
Overseas	<u>511</u>	<u>523</u>	<u>38,800</u>	<u>38,846</u>
	<u>1,037,347</u>	<u>2,211,526</u>	42,568,137	35,637,555
Unallocated assets			<u>1,293,849</u>	<u>1,395,219</u>
			<u>43,861,986</u>	<u>37,032,774</u>

6 EXPENSES BY NATURE

Cost of sales, selling and distribution expenses, and general and administrative expenses of continuing operations included the following:

	Six months ended 30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation of leasehold land and land use rights	9,397	5,681
Depreciation		
- Owned property, plant and equipment	24,773	23,146
- Leased property, plant and equipment	18	18
Provision for impairment of property, plant and equipment	—	9,278
Reversal of provision for impairment of properties under development	<u>(13,766)</u>	<u>—</u>

7 TAXATION

- (a) Hong Kong profits tax has been provided at the rate of 16.5 percent (2009: 16.5 percent) on the estimated assessable profit for the period.
- (b) China enterprise income taxation is provided on the profits of the Group's subsidiaries, associated entities and jointly controlled entities in China at 25 percent (2009: range from 20 percent to 25 percent).

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to corporate withholding income tax at tax rates ranging from 5 percent to 10 percent. Subsequent to the disposal of GZI Transport Limited ("Transport"), a subsidiary of the Group, in November 2009, the Group revisited its dividend pay-out policy and considered it is necessary to demand dividend distribution from the subsidiaries in China. Accordingly, withholding income tax was provided for the dividend distributed during the period and undistributed profit, recognised based on HKFRS, of the Group's subsidiaries, jointly controlled entities and associated entities in PRC at a tax rate of 5 percent or 10 percent (2009: range from 5 percent to 10 percent), when applicable, for the period ended 30 June 2010.

- (c) China land appreciation tax is levied at progressive rates ranging from 30 percent to 60 percent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including costs of land, development and construction.

(d) The amount of taxation charged to the condensed consolidated income statement comprises:

	Six months ended 30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Current taxation		
Hong Kong profits tax	2,960	1,670
China enterprise income tax	22,142	1,951
China land appreciation tax	105,084	120,491
Corporate withholding income tax	277	—
Deferred taxation		
Origination and reversal of temporary differences	(16,313)	155,138
Corporate withholding income tax on undistributed profits	<u>25,211</u>	<u>—</u>
	<u>139,361</u>	<u>279,250</u>

8 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2010	2009
Profit from continuing operations attributable to equity holders of the Company (RMB'000)	355,660	534,402
Profit from discontinued operation attributable to equity holders of the Company (RMB'000)	<u>—</u>	<u>70,348</u>
Profit attributable to equity holders of the Company (RMB'000)	<u>355,660</u>	<u>604,750</u>
Weighted average number of ordinary shares in issue ('000)	<u>7,137,409</u>	<u>7,127,016</u>
Basic earnings per share (RMB)		
From continuing operations	0.0498	0.0750
From discontinued operation	<u>—</u>	<u>0.0099</u>
	<u>0.0498</u>	<u>0.0849</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding during the period which are dilutive potential ordinary shares. Calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

	Six months ended 30 June	
	2010	2009
Profit from continuing operations attributable to equity holders of the Company (RMB'000)	355,660	534,402
Profit from discontinued operation attributable to equity holders of the Company (RMB'000)	<u>—</u>	<u>70,348</u>
Profit attributable to equity holders of the Company (RMB'000)	<u>355,660</u>	<u>604,750</u>
Weighted average number of ordinary shares in issue ('000)	7,137,409	7,127,016
Adjustments for share options ('000)	<u>44,160</u>	<u>30,912</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>7,181,569</u>	<u>7,157,928</u>
Diluted earnings per share (RMB)		
From continuing operations	0.0495	0.0747
From discontinued operation	<u>—</u>	<u>0.0098</u>
	<u>0.0495</u>	<u>0.0845</u>

9 DIVIDEND

	Six months ended 30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
2009 final, paid, nil (2008: HK0.80 cents) per share	<u>—</u>	<u>50,451</u>
2010 interim, proposed, nil (2009: nil) per share	<u>—</u>	<u>—</u>

10 INTANGIBLE OPERATING RIGHTS AND PROPERTY, PLANT AND EQUIPMENT

	Intangible operating rights <i>RMB'000</i>	Property, plant and equipment <i>RMB'000</i>
Opening net book amount at 1 January 2010, as previously reported	—	1,298,285
Effect of adoption of amendment to HKAS 17	—	<u>281,382</u>
Opening net book amount at 1 January 2010, as restated	—	1,579,667
Exchange differences	—	(3,412)
Additions	—	340,704
Disposals	—	(2,090)
Depreciation	—	<u>(24,791)</u>
Closing net book amount at 30 June 2010	<u>—</u>	<u>1,890,078</u>
Opening net book amount at 1 January 2009, as previously reported	6,215,852	558,639
Effect of adoption of amendment to HKAS 17	—	<u>285,241</u>
Opening net book amount at 1 January 2009, as restated	6,215,852	843,880
Exchange differences	—	(3,548)
Additions	1,400	13,692
Disposals	(126,713)	(3,857)
Transfer from properties under development	—	546,261
Impairment	(151,863)	(9,278)
Acquisition of a subsidiary (Note 21)	578,872	21,734
Transfer to non-current assets held for sale	(244,611)	(93)
Amortisation/depreciation		
- continuing operations	—	(23,164)
- discontinued operation	<u>(86,386)</u>	<u>(4,956)</u>
Closing net book amount at 30 June 2009	<u>6,186,551</u>	<u>1,380,671</u>

11 INVESTMENT PROPERTIES

	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	7,489,527	5,241,876
Exchange differences	(4,813)	(239)
Additions	361,633	543
Disposals	(471,414)	(36,797)
Transfer from properties under development	—	2,129,653
Fair value gains	<u>187,168</u>	<u>307,564</u>
At 30 June	<u><u>7,562,101</u></u>	<u><u>7,642,600</u></u>

12 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January, as previously reported	11,612,752	9,993,074
Effect of adoption of amendment to HKAS 17	(1,014,944)	(1,003,680)
Effect of voluntary change in accounting policy	<u>(10,045,294)</u>	<u>(8,687,195)</u>
At 1 January, as restated	552,514	302,199
Additions	13,394	—
Transfer from properties under development	—	226,338
Amortisation	<u>(9,397)</u>	<u>(5,681)</u>
At 30 June	<u><u>556,511</u></u>	<u><u>522,856</u></u>

13 GOODWILL

	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	—	111,114
Exchange differences	—	(23)
Impairment	—	(1,300)
Acquisition of a subsidiary (Note 21)	—	<u>27,912</u>
At 30 June	<u>—</u>	<u>137,703</u>

Goodwill is attributable to the acquisition of 20 percent additional equity interest in GNSR Guangzhou Northern Second Ring Expressway Co., Ltd. and 90 percent equity interest in Cangwu Guihai Cangyu Expressway Co., Ltd.

14 TRADE RECEIVABLES

The Group has defined credit policies for different businesses. The credit terms of the Group are generally within three months. The ageing analysis of trade receivables is as follows:

	As at	
	30 June	31 December
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
0 - 30 days	8,157	24,264
31 - 90 days	4,095	11,965
91 - 180 days	8,388	2,610
181 - 365 days	31	—
Over 1 year	<u>5,297</u>	<u>14,211</u>
	<u>25,968</u>	<u>53,050</u>

15 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	As at	
	30 June 2010	31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>
0 - 30 days	40,111	52,957
31 - 90 days	35,624	48,762
91 - 180 days	20,537	15,482
181 - 365 days	775	9
1 - 2 years	777	1,295
Over 2 years	<u>3,758</u>	<u>3,602</u>
	<u>101,582</u>	<u>122,107</u>

16 BORROWINGS

	As at	
	30 June 2010	31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Long-term bank borrowings		
- Secured	8,581,455	8,048,952
- Unsecured	2,820,380	2,606,850
Obligations under finance leases	126	84
Loans from a related company	49,838	50,028
	<u>11,451,799</u>	<u>10,705,914</u>
Current		
Bank overdrafts	245	404
Short-term bank borrowings		
- Secured	70,000	70,000
- Unsecured	388,618	610,043
Current portion of long-term bank borrowings		
- Secured	1,250,000	770,000
- Unsecured	1,460,000	437,000
Obligations under finance leases	57	25
	<u>3,168,920</u>	<u>1,887,472</u>
Total borrowings	<u>14,620,719</u>	<u>12,593,386</u>

The maturity of borrowings is as follows:

	Bank borrowings and overdrafts		Other loans	
	As at 30 June 2010	As at 31 December 2009	As at 30 June 2010	As at 31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	3,168,863	1,887,447	57	25
In the second year	4,153,925	2,467,420	45	21
In the third to fifth year	4,547,910	5,698,382	49,919	50,091
Over five years	<u>2,700,000</u>	<u>2,490,000</u>	<u>—</u>	<u>—</u>
	<u>14,570,698</u>	<u>12,543,249</u>	<u>50,021</u>	<u>50,137</u>

17 SHARE CAPITAL

	Number of shares '000	Amount RMB'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.10 each	<u>10,000,000</u>	<u>936,400</u>
Issued and fully paid:		
At 1 January 2009	7,126,848	667,345
Issue of shares upon exercise of share options (Note 18)	<u>668</u>	<u>58</u>
At 30 June 2009	<u>7,127,516</u>	<u>667,403</u>
At 1 January 2010	7,136,582	668,202
Issue of shares upon exercise of share options (Note 18)	<u>1,094</u>	<u>96</u>
At 30 June 2010	<u>7,137,676</u>	<u>668,298</u>

18 SHARE OPTIONS

Movements of share options are as follows:

	Number of share options '000
At 1 January 2009	76,902
Exercised during the period	<u>(668)</u>
At 30 June 2009	<u>76,234</u>
At 1 January 2010	67,168
Exercised during the period	<u>(1,094)</u>
At 30 June 2010	<u>66,074</u>

Particulars of share options as at 30 June 2010 and 31 December 2009 are as follows:

Date of grant	Exercise period	Exercise price HK\$	Number of outstanding share options	
			As at 30 June 2010 '000	As at 31 December 2009 '000
2 May 2003	2 May 2003 — 1 May 2013	0.410	10,870	10,870
2 June 2003	2 June 2003 — 1 June 2013	0.540	7,000	7,000
27 October 2003	27 October 2003 — 26 October 2013	0.814	1,840	1,840
23 December 2003	23 December 2003 — 22 December 2013	0.846	9,730	9,978
23 June 2004	23 June 2004 — 22 June 2014	0.630	35,514	36,360
28 May 2008	28 May 2008 — 27 May 2018	1.556	<u>1,120</u>	<u>1,120</u>
			<u>66,074</u>	<u>67,168</u>

On 26 June 2002, the Company adopted a share option scheme, under which it may grant options to employees (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 10 per cent of the number of shares in issue as at 26 June 2002. The exercise price will be determined by the Company's Board of Directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five business days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares.

As at 30 June 2010, all (31 December 2009: 66,048,000) of the outstanding share options were exercisable.

The fair value of options granted was determined using the Black-Scholes valuation model by Greater China Appraisal Limited, an independent firm of valuers. The significant inputs into the model were share price at the grant date, exercise price, standard deviation of expected share price returns, expected life of options, expected dividend paid-out rate and annual risk-free rate. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over a period of one year before the date when the options were granted.

APPENDIX I
FINANCIAL INFORMATION

	Share premium <i>RMB'000</i>	Capital redemption reserve <i>RMB'000</i>	Statutory reserves <i>RMB'000</i> <i>(Note (a))</i>	Exchange fluctuation reserve <i>RMB'000</i>	Asset revaluation reserve <i>RMB'000</i> <i>(Note (a))</i>	Available- for-sale financial assets fair value reserve <i>RMB'000</i>	Employee share-based compensation reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2009 as previously reported	6,118,188	1,699	206,903	283,081	431,768	456,337	10,652	4,637,198	12,145,826
Effect of adoption of amendment to HKAS 17	—	—	—	(13)	—	—	—	266	253
Effect of voluntary change in accounting policy	—	—	—	—	—	—	—	310,873	310,873
At 1 January 2009, as restated	6,118,188	1,699	206,903	283,068	431,768	456,337	10,652	4,948,337	12,456,952
Currency translation differences	—	—	—	(5,660)	—	—	—	—	(5,660)
Change in fair value of available-for-sale financial assets									
- gross	—	—	—	—	—	322,069	—	—	322,069
- tax	—	—	—	—	—	(80,517)	—	—	(80,517)
Profit attributable to shareholders	—	—	—	—	—	—	—	604,750	604,750
Transfer	—	—	6,510	—	(2,993)	—	—	(3,517)	—
Employee share option scheme — value of employee services	—	—	—	—	—	—	226	—	226
Issue of shares net of issuing expenses	338	—	—	—	—	—	—	—	338
Transfer upon exercise of share options	115	—	—	—	—	—	(115)	—	—
Dividend paid	—	—	—	—	—	—	—	(50,451)	(50,451)
At 30 June 2009	<u>6,118,641</u>	<u>1,699</u>	<u>213,413</u>	<u>277,408</u>	<u>428,775</u>	<u>697,889</u>	<u>10,763</u>	<u>5,499,119</u>	<u>13,247,707</u>
Representing:									
2009 interim dividend proposed								—	
Others								<u>5,499,119</u>	
								<u>5,499,119</u>	

Note:

- (a) Statutory reserves represent enterprise expansion and general reserve funds set aside by the subsidiaries, jointly controlled entities and associated entities in China. As stipulated by regulations in China, the Company's subsidiaries, jointly controlled entities and associated entities established and operated in China are required to appropriate a portion of their after-tax profits (after offsetting prior year losses) to the enterprise expansion and general reserve funds, at rates determined by their respective boards of directors. According to the Regulations for the Implementation of the Law of The People's Republic of China on Joint Ventures Using Chinese and Foreign Investment, upon approval, the general reserve funds may be used for making up losses and increasing capital while the enterprise expansion funds may be used for increasing capital.

The asset revaluation reserve represents the fair value adjustment of the 40 percent equity interest in Guangzhou Northern Second Ring Expressway Co., Ltd. ("GNSR Expressway Co., Ltd.") held by the Group at a result of further acquisition of 20 percent additional equity interest in GNSR Expressway Co., Ltd. in 2007.

20 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable income tax rates.

Deferred taxation as at 30 June 2010 and 31 December 2009 represents:

	As at	
	30 June 2010	31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax assets		
Hong Kong profits tax	8,628	9,388
China enterprise income tax	32,236	31,922
	<u>40,864</u>	<u>41,310</u>
Deferred tax liabilities		
Hong Kong profits tax	46,993	40,216
China enterprise income tax	2,002,130	1,891,493
China land appreciation tax	464,328	564,511
	<u>2,513,451</u>	<u>2,496,220</u>

21 BUSINESS COMBINATION

On 10 December 2008, the Group entered into an equity transfer agreement with independent third parties in connection with the acquisition of 90 percent equity interest in Cangyu Expressway Limited whose principal asset is the toll operating right of Cangyu Expressway. In accordance with the aforesaid agreement, the consideration for the acquisition and the additional registered capital contribution amounted to RMB162.0 million. The acquisition was completed on 19 January 2009.

Details of the net assets acquired and goodwill are as follows:

	<i>RMB'000</i>
Purchase consideration:	
Cash paid	161,950
Direct costs relating to the acquisition	<u>1,528</u>
Total purchase consideration	163,478
Fair value of net identifiable assets acquired (see below)	<u>(135,566)</u>
Goodwill	<u><u>27,912</u></u>

The goodwill is attributable to the recognition of deferred tax liabilities on fair value gain from the acquisition of 90 percent equity interest in Cangyu Expressway Limited.

The assets and liabilities arising from the acquisition are as follows:

	Fair value <i>RMB'000</i>	Acquiree's carrying amount <i>RMB'000</i>
Cash and cash equivalents	844	844
Intangible operating rights	578,872	443,609
Property, plant and equipment	21,734	21,734
Trade receivables	803	803
Other receivables, prepayments and deposits	22,991	22,991
Trade and other payables and accrued charges	(44,253)	(44,253)
Amounts due to minority shareholders	(15,946)	(15,946)
Borrowings	(380,600)	(380,600)
Deferred tax liabilities	<u>(33,816)</u>	<u>—</u>
Net identifiable assets acquired	<u>150,629</u>	<u>49,182</u>
Net identifiable assets attributable to the 90 percent additional equity interest acquired by the Group	<u>135,566</u>	<u>44,264</u>
Cash outflow to acquire business, net of cash acquired:		
Purchase consideration		163,478
Cash and cash equivalents in the subsidiary acquired		<u>(844)</u>
Cash outflow on acquisition		<u>162,634</u>

22 DISCONTINUED OPERATION

On 26 November 2009, the Group disposed of the entire equity interest of 45.28% in Transport, a subsidiary of the Group by way of share distribution and share offer. Pursuant to the share distribution arrangement, the Company declared a special dividend that was effected by way of a distribution in specie of Transport shares to the shareholders with a cash alternative. Pursuant to the share offer arrangement, the Company made an offer for sale of all the remaining Transport shares held by it to the shareholders in proportion to their shareholdings. Yue Xiu Enterprises (Holdings) Limited, a substantial shareholder of the Company, is the underwriter of the share offer.

Analysis of the result of discontinued operation and the result recognised on the remeasurement of assets of the disposal group, are as follows:

	Six months ended
	30 June 2009
	<i>RMB'000</i>
Revenue	446,998
Expenses	<u>(222,724)</u>
Profit before tax of discontinued operation	224,274
Taxation	<u>(44,967)</u>
Profit from discontinued operation	<u>179,307</u>
Operating cash flows	271,064
Investing cash flows	(126,261)
Financing cash flows	<u>(212,963)</u>
	<u>(68,160)</u>

23 CONTINGENT LIABILITIES

	As at	
	30 June	31 December
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Guarantees for mortgage facilities granted to certain property purchasers of the Group's properties (Note (a))	<u>1,874,693</u>	<u>1,035,067</u>

Notes:

- (a) The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.
- (b) In connection with the disposal of a subsidiary to GZI Real Estate Investment Trust ("GZI REIT"), an associated entity, in 2008, the Group entered into a Deed of Indemnity to indemnify GZI REIT against certain liabilities for land premium, mortgage guarantees and deferred taxation with an estimated total amount of approximately RMB65 million (31 December 2009: RMB65 million). The Deed of Indemnity will be expired on 30 May 2014.

24 COMMITMENTS UNDER OPERATING LEASES

The Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	As at	
	30 June 2010	31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>
Not later than one year	24,216	100,772
Later than one year and not later than five years	52,592	25,778
Later than five years	<u>44,577</u>	<u>50,058</u>
	<u>121,385</u>	<u>176,608</u>

25 OTHER COMMITMENTS**(a) Commitment in respect of properties under development**

	As at	
	30 June 2010	31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted but not provided for	<u>610,629</u>	<u>2,657,000</u>

The amounts represent commitments relating to certain land use rights in China ranging from 50 to 75 years for which ownership certificates have not yet been obtained. As at 30 June 2010, total consideration for these land use rights amounted to approximately RMB1,150 million (31 December 2009: RMB4,032 million) for which the Group has prepaid approximately RMB539 million (31 December 2009: RMB1,375 million).

(b) Capital commitments in respect of property, plant and equipment and investment properties

	As at	
	30 June 2010	31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted but not provided for	1,590,601	1,629,955
Authorised but not contracted for	<u>1,389,589</u>	<u>1,554,921</u>
	<u>2,980,190</u>	<u>3,184,876</u>

At 30 June 2010, the Group had no financial commitments in respect of equity capital to be injected into any jointly controlled entity or associated entity (31 December 2009: nil).

26 SECURITIES FOR BANKING FACILITIES

At 30 June 2010, certain banking facilities and loans granted to the Group were secured by:

- (a) mortgages of certain of the Group's properties under development, properties held for sale, investment properties, property, plant and equipment with an aggregate carrying value of approximately RMB5,198 million (31 December 2009: RMB5,238 million), nil (31 December 2009: RMB7 million), RMB4,971 million (31 December 2009: RMB4,548 million) and RMB1,371 million (31 December 2009: RMB1,052 million) respectively;
- (b) mortgages of certain of the Group's leasehold land and land use rights with an aggregate carrying value of approximately RMB487 million (31 December 2009: RMB438 million); and
- (c) assignment of shareholder's loans between certain companies in the consolidated group with an aggregate amount of approximately RMB3,006 million (31 December 2009: RM2,784 million).

27 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**(a) Related parties**

Related parties are those parties which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The table below summarises the names of related parties, with whom the Group has significant transactions during the period, and their relationship with the Company as at 30 June 2010:

Significant related parties	Relationship with the Company
Yue Xiu Enterprises (Holdings) Limited (“YXE”)	A substantial shareholder
Yue Xiu Finance Company Limited (“YXF”)	A subsidiary of YXE
Yue Xiu International Development Limited (“YXIDL”)	A subsidiary of YXE
Yue Xiu Cold Storage and Warehousing Limited (“YXCSSL”)	A subsidiary of YXE
Hi-Watt Battery Industry Company Limited (“HWB”)	A subsidiary of YXE
GZI Real Estate Investment Trust (“GZI REIT”)	An associated entity
Guangdong Humen Bridge Co., Ltd. (“GHB”)	An associated entity disposed of during 2009

(b) Transactions with related parties

Save as disclosed elsewhere in this interim financial information, the Group had the following significant transactions with related parties during the period:

	Six months ended	
	30 June	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
(I) Transactions with YXE		
(i) Rental expenses and property management fees paid to YXE	(944)	(870)
(ii) Rental income received from YXE	—	63
(iii) Service fees paid to YXE	(263)	(265)
(II) Transactions with YXF		
Management fees paid to YXF	(159)	(159)
(III) Transaction with YXIDL		
Loan interest paid to YXIDL	(273)	(309)
(IV) Transaction with YXCSSL		
Rental income received from YXCSSL	1,315	1,323
(V) Transaction with HWB		
Rental income received from HWB	354	643
(VI) Transactions with GZI REIT		
(i) Asset management fees received from GZI REIT	14,054	14,162
(ii) Tenancy service fees received from GZI REIT	8,292	7,834
(iii) Rental expenses paid to GZI REIT	(1,976)	(1,589)
(VII) Transaction with GHB		
Loan interest received from GHB	—	15
(VIII) Gain on disposal of a toll operating right of Xiang Jiang Bridge II to a state-owned enterprise	<u>—</u>	<u>58,065</u>

(c) Balances with related parties

	As at	
	30 June 2010	31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>
Amount due to a substantial shareholder (Note (i) and (iii))	(67,727)	(73,561)
Amounts due from associated entities (Note (i), (v) and (vii))	75,375	76,164
Amounts due to associated entities (Note (i) and (iii))	(117,939)	(118,848)
Amounts due from jointly controlled entities (Note (i), (iv) and (vii))	162,461	163,959
Amounts due to jointly controlled entities (Note (i) and (iii))	(131,186)	(130,564)
Loans from a related company (Note (ii) and (vi))	(49,838)	(50,028)
Amounts due to related companies (Note (i) and (iii))	<u>(2,239)</u>	<u>(5,468)</u>

Except for the amount due to a substantial shareholder, amounts due from associated entities and loans from a related company which are denominated in Hong Kong dollar, all others related party balances are denominated in RMB.

Note:

- (i) These balances are unsecured, interest free and repayable on demand.
- (ii) The loan balance at 30 June 2010 and 31 December 2009 is unsecured, interest bearing at Hong Kong Interbank Offered Rate plus 1 percent per annum, and not repayable within the next twelve months.
- (iii) These balances are included in other receivables, prepayments and deposits or other payables and accrued charges, as appropriate.
- (iv) These balances are included in interests in jointly controlled entities.
- (v) The balance is included in interests in associated entities except for an amount of approximately RMB15,320,000 as at 30 June 2010 (31 December 2009: RMB15,552,000) which is included in other receivables, prepayments and deposits.
- (vi) The balance is included in long-term borrowings.
- (vii) These balances were not in default or impaired as at 30 June 2010 and 31 December 2009, except for a provision for impairment losses of approximately RMB32,068,000 (31 December 2009: RMB32,068,000) made for an amount due from a jointly controlled entity as at 30 June 2010.

(d) Key management compensation

Key management compensation amounted to RMB2,416,000 for the six months ended 30 June 2010 (for the six months ended 30 June 2009: RMB37,467,000).

3. AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

The following financial information is extracted from the published audited consolidated financial statements of the Group for the year ended 31 December 2009. The consolidated financial statements of the Group presented below has not been restated to take into account the effect of the change in accounting policy and the adoption of an amendment to standard during the six months ended 30 June 2010. The details of these changes are explained in note 3 of the unaudited condensed consolidated financial information of the Company for the six months ended 30 June 2010 set out in section 2 of this appendix.

Consolidated Income Statement

For the year ended 31 December 2009

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Revenue	5	5,300,212	3,158,523
Cost of sales	6	<u>(3,461,206)</u>	<u>(1,950,403)</u>
Gross profit		1,839,006	1,208,120
Proceeds from sales of investment properties		268,311	540,717
Direct costs of investment properties sold		<u>(223,731)</u>	<u>(378,129)</u>
Gain on sales of investment properties	21	44,580	162,588
Fair value gains/(losses) on revaluation of investment properties	17	312,812	(271,050)
Gain on disposal of a subsidiary	20(a)	—	28,552
Selling and distribution expenses	6	(213,180)	(198,021)
General and administrative expenses	6	<u>(588,025)</u>	<u>(606,254)</u>
Operating profit		1,395,193	323,935
Finance income	7	52,618	33,108
Finance costs	8	(72,179)	(165,813)
Net foreign exchange gain on financing activities		18,122	242,988
Share of profit/(loss) of			
- jointly controlled entities	22	(1,981)	(786)
- associated entities	23	123,245	89,068
Excess of the share of the fair value of net assets of an associated entity acquired over acquisition cost	20(a)	<u>—</u>	<u>40,988</u>
Profit before tax		1,515,018	563,488
Taxation	9	<u>(713,748)</u>	<u>(137,076)</u>

APPENDIX I**FINANCIAL INFORMATION**

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit for the year from continuing operations		801,270	426,412
Discontinued operations			
(Loss)/profit for the year from discontinued operations	20(b),(e)	<u>(1,093,620)</u>	<u>547,068</u>
(Loss)/profit for the year	10	<u>(292,350)</u>	<u>973,480</u>
Attributable to			
Equity holders of the Company		(697,414)	607,964
Minority interests		<u>405,064</u>	<u>365,516</u>
		<u>(292,350)</u>	<u>973,480</u>
(Losses)/earnings per share for profit from continuing operations and (loss)/profit from discontinued operations attributable to equity holders of the Company (expressed in HK cents per share)	11		
- Basic			
From continuing operations		10.17	5.86
From discontinued operations		<u>(19.95)</u>	<u>2.67</u>
		<u>(9.78)</u>	<u>8.53</u>
- Diluted			
From continuing operations		10.11	5.83
From discontinued operations		<u>(19.84)</u>	<u>2.66</u>
		<u>(9.73)</u>	<u>8.49</u>
Dividends	12	<u>660,403</u>	<u>242,313</u>

Consolidated Statement of Comprehensive Income*For the year ended 31 December 2009*

	Year ended 31 December	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the year	(292,350)	973,480
Other comprehensive income:		
Currency translation differences	(365)	1,016,064
Share of change in fair value of cash-flow hedges of an associated entity	—	26,266
Change in fair value of available-for-sale financial assets, net of tax	264,440	(94,479)
Transfer of reserve to profit and loss upon disposal of subsidiaries	(23,601)	(188,887)
Other comprehensive income for the year, net of tax	240,474	758,964
Total comprehensive income for the year	(51,876)	1,732,444
Attributable to:		
- Equity holders of the Company	(469,106)	1,048,298
- Minority interests	417,230	684,146
	(51,876)	1,732,444

Consolidated Balance Sheet*As at 31 December 2009*

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Intangible operating rights	15	—	7,048,250
Property, plant and equipment	16	1,474,486	633,991
Investment properties	17	8,505,995	5,943,845
Leasehold land and land use rights	18	6,300,663	4,603,921
Interests in jointly controlled entities	22	187,018	458,788
Interests in associated entities	23	1,661,729	3,717,392
Goodwill	24	—	125,994
Available-for-sale financial assets	25	1,229,395	976,977
Deferred tax assets	38	83,096	90,592
		<u>19,442,382</u>	<u>23,599,750</u>
		-----	-----
Current assets			
Properties under development	26	4,551,681	5,463,575
Properties held for sale	26	796,846	582,541
Leasehold land and land use rights	18	6,888,123	6,727,380
Prepayments for land use rights	27	1,562,689	1,884,375
Inventories	28	103,281	105,716
Trade receivables	29	60,250	66,910
Other receivables, prepayments and deposits	29	624,120	465,255
Taxation recoverable		379,408	136,951
Charged bank deposits	30	2,095,628	403,994
Cash and cash equivalents	31	4,915,280	3,496,547
		<u>21,977,306</u>	<u>19,333,244</u>
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APPENDIX I**FINANCIAL INFORMATION**

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
LIABILITIES			
Current liabilities			
Trade payables	32	138,680	96,877
Land premium payable		498,787	560,046
Advance receipts from customers		4,628,108	2,395,953
Other payables and accrued charges	33	4,500,208	4,885,632
Borrowings	34	2,143,636	5,696,028
Taxation payable		941,743	595,430
		<u>12,851,162</u>	<u>14,229,966</u>
Net current assets		<u>9,126,144</u>	<u>5,103,278</u>
Total assets less current liabilities		<u>28,568,526</u>	<u>28,703,028</u>
Non-current liabilities			
Borrowings	34	12,158,903	4,444,650
Deferred tax liabilities	38	2,648,332	3,120,876
		<u>14,807,235</u>	<u>7,565,526</u>
Net assets		<u>13,761,291</u>	<u>21,137,502</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	35	713,658	712,685
Other reserves	37	8,998,815	9,310,663
Retained earnings			
- Proposed dividends	37	—	57,015
- Others	37	3,588,407	4,398,755
		<u>13,300,880</u>	<u>14,479,118</u>
Minority interests		<u>460,411</u>	<u>6,658,384</u>
Total equity		<u>13,761,291</u>	<u>21,137,502</u>

APPENDIX I**FINANCIAL INFORMATION****Balance Sheet***As at 31 December 2009*

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	16	13,030	14,783
Investment properties	17	17,300	12,440
Interests in subsidiaries	19	<u>12,463,390</u>	<u>13,939,943</u>
		<u>12,493,720</u>	<u>13,967,166</u>
Current assets			
Other receivables, prepayments and deposits		1,573	3,373
Dividend receivables		1,148,935	556,382
Cash and cash equivalents	31	<u>1,126,348</u>	<u>233,603</u>
		<u>2,276,856</u>	<u>793,358</u>
LIABILITIES			
Current liabilities			
Amounts due to subsidiaries	19	37,268	37,215
Other payables and accrued charges		118,717	111,917
Borrowings	34	<u>374,864</u>	<u>4,121,918</u>
		<u>530,849</u>	<u>4,271,050</u>
Net current assets/(liabilities)		<u>1,746,007</u>	<u>(3,477,692)</u>
Total assets less current liabilities		<u>14,239,727</u>	<u>10,489,474</u>
Non-current liabilities			
Borrowings	34	<u>3,916,995</u>	<u>56,207</u>
Net assets		<u>10,322,732</u>	<u>10,433,267</u>

APPENDIX I**FINANCIAL INFORMATION**

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	35	713,658	712,685
Other reserves	37	7,186,657	7,162,854
Retained earnings			
Proposed dividends	37	—	57,015
Others	37	<u>2,422,417</u>	<u>2,500,713</u>
Total equity		<u><u>10,322,732</u></u>	<u><u>10,433,267</u></u>

Consolidated Cash Flow Statement*For the year ended 31 December 2009*

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Operating activities			
Net cash used in operations	39	(439,120)	(808,698)
Interest received		52,618	90,044
Interest paid		(72,179)	(242,992)
Hong Kong profits tax paid		(1,433)	(4,092)
China taxation paid		<u>(381,533)</u>	<u>(457,594)</u>
Net cash used in operating activities		<u>(841,647)</u>	<u>(1,423,332)</u>
Investing activities			
Dividends received from jointly controlled entities and associated entities		379,247	123,704
Payments of construction costs of toll highways and bridges upgrade services		(12,609)	(3,818)
Purchases of property, plant and equipment		(326,561)	(85,544)
Purchases of investment properties		(42,152)	(7,387)
Purchases of available-for-sale financial assets		(1,591)	(52,658)
Proceeds from sale of property, plant and equipment		7,185	260,833
Proceeds from sale of investment properties		268,311	540,717
Acquisition of a subsidiary	20(d)	(195,241)	—
Acquisition of additional interests in a subsidiary		—	(20,400)
Disposal of Metrogold	20(a)	—	434,261
Disposal of Goldkemp and acquisition of Techcon	20(c)	—	(887,205)
Disposal of Transport	20(e)	(712,971)	—
Capital injection in a jointly controlled entity		(71,437)	(47,624)
Payment for acquisition of additional interest in an associated entity		—	(193,514)
Repayment from associated and jointly controlled entities		16,401	254,793
Increase in charged bank deposits		<u>(1,691,634)</u>	<u>(307,261)</u>
Net cash (used in)/generated from investing activities		<u>(2,383,052)</u>	<u>8,897</u>

APPENDIX I**FINANCIAL INFORMATION**

	<i>Note</i>	2009	2008
		<i>HK\$'000</i>	<i>HK\$'000</i>
Financing activities			
Issue of ordinary shares		7,922	3,017
Capital contribution from minority shareholders of subsidiaries		—	6,599
New bank loans		8,826,432	5,305,343
Repayment of bank loans		(3,677,454)	(3,690,474)
New other borrowings		735	23,564
Repayment of other borrowings		(30)	(25)
Dividends paid to equity holders of the Company		(279,441)	(363,461)
Dividends paid to minority shareholders of subsidiaries		(241,527)	(211,309)
Increase in amount due to a substantial shareholder		<u>1,975</u>	<u>51,395</u>
Net cash generated from financing activities		<u>4,638,612</u>	<u>1,124,649</u>
Increase/(decrease) in cash and cash equivalents		1,413,913	(289,786)
Cash and cash equivalents at the beginning of year		3,496,141	3,709,023
Exchange gains on cash and cash equivalents		<u>4,767</u>	<u>76,904</u>
Cash and cash equivalents at the end of year		<u>4,914,821</u>	<u>3,496,141</u>
Analysis of balances of cash and cash equivalents			
Bank balances and cash		4,915,280	3,496,547
Bank overdrafts		<u>(459)</u>	<u>(406)</u>
		<u>4,914,821</u>	<u>3,496,141</u>

Consolidated Statement of Changes in Equity*For the year ended 31 December 2009*

	Attributable to equity holders of the Company			Total
	Share capital	Reserves	Minority interests	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2009	712,685	13,766,433	6,658,384	21,137,502
Comprehensive income				
(Loss)/profit for the year	—	(697,414)	405,064	(292,350)
Other comprehensive income				
Currency translation differences	—	2,354	(2,719)	(365)
Change in fair value of available-for-sale financial assets, net of tax	—	249,555	14,885	264,440
Transfer of reserve to profit and loss upon disposal of a subsidiary (<i>Note 20(e)</i>)	—	(23,601)	—	(23,601)
Total other comprehensive income	—	228,308	12,166	240,474
Total comprehensive income	—	(469,106)	417,230	(51,876)
Transactions with owners				
Employee share options scheme				
- value of employee services	—	367	—	367
Issue of shares net of issuing expenses	973	6,949	—	7,922
Acquisition of a subsidiary	—	—	17,080	17,080
Disposal of a subsidiary (<i>Note 20(e)</i>)	—	—	(6,390,756)	(6,390,756)
Dividends paid	—	(717,421)	(241,527)	(958,948)
Total transactions with owners	973	(710,105)	(6,615,203)	(7,324,335)
At 31 December 2009	713,658	12,587,222	460,411	13,761,291

APPENDIX I

FINANCIAL INFORMATION

	Attributable to equity holders of the Company			Total HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Minority interests HK\$'000	
At 1 January 2008	712,192	13,077,563	6,866,145	20,655,900
Comprehensive income				
Profit for the year	—	607,964	365,516	973,480
Other comprehensive income				
Currency translation differences	—	698,239	317,825	1,016,064
Share of change in fair value of cash-flow hedges of an associated entity	—	26,266	—	26,266
Change in fair value of available-for-sale financial assets, net of tax	—	(95,284)	805	(94,479)
Transfer of reserve to profit and loss upon disposal of subsidiaries	—	(188,887)	—	(188,887)
Total other comprehensive income	—	440,334	318,630	758,964
Total comprehensive income	—	1,048,298	684,146	1,732,444
Transactions with owners				
Employee share options scheme				
- value of employee services	—	1,509	—	1,509
Issue of shares net of issuing expenses	493	2,524	—	3,017
Acquisition of additional interests in a subsidiary	—	—	(12,998)	(12,998)
Capital injection to a subsidiary	—	—	6,599	6,599
Disposal of subsidiaries	—	—	(674,199)	(674,199)
Dividends paid	—	(363,461)	(211,309)	(574,770)
	493	(359,428)	(891,907)	(1,250,842)
At 31 December 2008	712,685	13,766,433	6,658,384	21,137,502

NOTES TO THE FINANCIAL STATEMENTS**1 GENERAL INFORMATION**

Yuexiu Property Company Limited (the “Company”) and its subsidiaries (together the “Group”) is principally engaged in development, operation and management of toll highways and bridges (disposed of during 2009), development, selling and management of properties, holding of investment properties and manufacturing and trading of newsprint (disposed of during 2008). The Group’s operations are mainly conducted in Hong Kong and Mainland China (“China”).

The Company’s English name was changed from Guangzhou Investment Company Limited to Yuexiu Property Company Limited on 16 December 2009.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited and Singapore Exchange Securities Trading Limited.

These consolidated financial statements are presented in Hong Kong dollar, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 25 March 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) *New and amended standards adopted by the Group*

The Group has adopted the following new and amended HKFRS as of 1 January 2009:

- HKAS 1 (Revised), ‘Presentation of Financial Statements’. The revised standard prohibits the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.
- HKAS 23 (Revised), ‘Borrowing Costs’. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The adoption of HKAS 23 (Revised) has no significant impact on the Group’s consolidated financial statements.
- HKAS 40 (Amendment), ‘Investment Property’ (and consequential amendments to HKAS 16). Property that is under construction or development for future use as investment property is within the scope of HKAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. As a result of the adoption of HKAS 40 (Amendment), the Group has recognised fair value gains of approximately HK\$232 million (net of deferred tax) in this financial statements in respect of investment property previously accounted for as properties under development. No restatement of balances at 31 December 2008 was made as the amended standard requires prospective application.
- HKFRS 2 (Amendment), ‘Share-based Payment’ deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or subsequent valuation. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group and Company has adopted HKFRS 2 (Amendment) from 1 January 2009. The amendment does not have a material impact on the Group’s or Company’s financial statements.

- HKFRS 7 (Amendment), Financial Instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.
- HKFRS 8, Operating Segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board of directors that makes strategic decisions.

Goodwill is allocated by management to groups of cash-generating units on a segment level. The change in reportable segments has not resulted in any additional goodwill impairment. There has been no further impact on the measurement of the Group's assets and liabilities. Comparative for 2008 have been restated.

- HK(IFRIC) - Int 15, Agreements for the Construction of Real Estate'. The interpretation clarifies whether HKAS 18 'Revenue' or HKAS 11 'Construction Contracts' should be applied to particular transactions. It is likely to result in HKAS 18 being applied to a wider range of transactions. The Group expects to apply HKAS 18 for such sale agreements; however, HK(IFRIC) - Int 15 is currently not relevant to the Group's operations, as it has not yet entered into any sale agreements for the properties under development.

(b) *Amendments and interpretations to existing standards becoming effective in 2009 but not relevant to the Group*

HKAS 16 (Amendment)	Property, Plant and Equipment
HKAS 19 (Amendment)	Employee Benefits
HKAS 20 (Amendment)	Accounting for Government Grants and Disclosure of Government Assistance
HKAS 27 (Amendment)	Consolidated and Separate Financial Statements
HKAS 28 (Amendment)	Investments in Associates
HKAS 29 (Amendment)	Financial Reporting in Hyperinflationary Economies
HKAS 31 (Amendment)	Interest in Joint Venture
HKAS 32 and HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations
HKAS 36 (Amendment)	Impairment of Assets
HKAS 38 (Amendment)	Intangible Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
HKAS 41 (Amendment)	Agriculture

HK(IFRIC)-Int 9 (Amendment)	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 18	Transfers of Assets from Customers

- (c) *Standard, amendments/revisions and interpretations to existing standards that are not yet effective and have not been early adopted by the Group*

The following standard, amendments/revisions and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but the Group has not early adopted them:

		Effective for accounting periods beginning on or after
HKAS 24 (Revised)	Related Party Transactions	1 January 2011
HKAS 27 (Amendment)	Consolidated and Separate Financial Statements	1 July 2009
HKAS 32 (Amendment)	Classification of Rights Issues	1 February 2010
HKAS 38 (Amendment)	Intangible Assets	1 July 2009
HKAS 39 (Amendment)	Eligible Hedged Items	1 July 2009
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards	1 July 2009
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards - Additional Exemptions for First-time Adopters	1 January 2010
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions	1 January 2010
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HKFRS 5 (Amendment)	Measurement of Non-current Assets (or Disposal Group) Classified as Held for Sale	1 January 2010
HKFRS 9	Financial Instruments	1 January 2013
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners	1 July 2009
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

The Group has already commenced an assessment of the related impact of adopting the above new standard, amendments/revisions and interpretations to existing standards to the Group. The Group is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the financial statements will be resulted.

In addition, HKICPA also published a number of amendments for the existing standards under its annual improvement projects issued in October 2008 and May 2009, certain of which has not yet become effective in 2009. These amendments have not been early adopted by the Group and are not expected to have a significant financial impact on the results and financial position of the Group.

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

(a) *Subsidiaries*

Subsidiaries are entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an indicator of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) *Transactions with minority interests*

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group and are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the excess of any consideration paid over the acquired share of the carrying value of net assets of the subsidiary. If the consideration is less than the acquired share of the carrying value of net assets of the subsidiary, the difference is recognised directly in the consolidated income statement.

(c) *Associated entities*

Associated entities are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights. Investments in associated entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associated entities include goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associated entities' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated entity equals or exceeds its interest in the associated entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated entities.

Unrealised gains on transactions between the Group and its associated entities are eliminated to the extent of the Group's interests in the associated entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) *Jointly controlled entities*

A jointly controlled entity is a joint venture where the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Investments in jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in jointly controlled entities include goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its jointly controlled entities' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's

share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interests in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar, which is the Company's presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in the consolidated income statement, and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and

liabilities such as equities held at fair value through profit or loss are recognised in the consolidated income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the fair value reserve in equity.

(c) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. The goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.6 Intangible operating rights

The Group has been granted by the relevant local government authorities the rights to operate the toll highways and bridges for periods of 20 to 36 years. According to the approval documents of the relevant government and the relevant regulations, the Group is responsible for the construction of the toll highways and bridges and the acquisition of the related facilities and equipment and it is also responsible for the operation and management, maintenance and overhaul of the toll highways and bridges during the approved operating periods. The toll fees

collected during the operating periods are attributable to the Group. The relevant toll highway / bridge assets are required to be returned to the local government authorities upon the expiry of the operating rights without any compensation to the Group. According to the relevant regulations, these operating rights are not renewable and the Group does not have any termination options.

The Group applies the intangible asset model to account for the toll highway and bridge infrastructures where they are paid by the users of the toll highways and bridges. The concession grantors (the respective local governments) have not provided any contractual guarantees for the recovery of the amounts of construction costs incurred. The intangible assets correspond to the rights granted by the respective concession grantors to the Group to charge users of the toll road / bridge services and are recorded in the consolidated balance sheet as “Intangible operating rights”.

Amortisation of intangible operating rights is calculated to write off their costs on a units-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the life of the asset. The Group reviews regularly the projected total traffic volume throughout the life of the asset, and if it is considered appropriate, independent professional traffic studies will be obtained. Appropriate adjustment will be made should there be a material change.

2.7 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings	25-50 years
Plant and machinery and tools	3-30 years
Leasehold improvements, furniture, fixtures and office equipment	3-5 years
Motor vehicles	5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts.

Construction in progress is stated at cost less accumulated impairment losses. Cost includes all attributable costs of bringing the asset to working condition for its intended use. This includes direct costs of construction as well as interest expense capitalised during the period of construction and installation. Capitalisation of these costs will cease and the construction in progress is transferred to appropriate categories within property, plant and equipment when the construction activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of construction in progress.

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated group or for sale in the ordinary course of business, is classified as investment property. As from 1 January 2009, investment property also includes property that is being constructed or developed for future use as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed in the consolidated income statement during the period in which they are incurred.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in the income statement. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Following the adoption of HKAS 40 (Amendment), investment properties under construction have been transferred from property, plant and equipment to investment properties at 1 January 2009 at their carrying amount. They have subsequently been fair valued at the reporting date. All fair value gains or losses, including those unrecognised fair value gains and losses (if the losses have not already been recognised through impairment) that arose prior to 1 January 2009, have been recognised in the consolidated income statement for the year as fair value gains or losses.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under HKAS 16. Any resulting increase in the carrying amount of the property is recognised in the consolidated income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2.9 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life or that are not yet available for use are not subject to amortisation but are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as ‘trade and other receivables’ on the balance sheet (Note 2.13).

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the balance sheet date.

Regular purchases and sales of investments are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the consolidated income statement within ‘other (losses)/gains - net’, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in the consolidated income statement, and other changes in carrying amount are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale and the translation differences on such securities are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as ‘gains and losses from investment securities’. Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement when the Group’s right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement - is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed, if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. Impairment testing of trade and other receivables is described in Note 2.13.

2.11 Properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realisable value. The cost of properties under development and properties held for sale comprises development and construction expenditure, borrowing costs capitalised and other direct costs attributable to the development. Net realisable value is the estimated selling price at which the property can be realised less related expenses. Income from incidental operation is recognised in the consolidated income statement.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

2.13 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the recoverables is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited the consolidated income statement.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.15 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the assets for its intended use. All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

2.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from

equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

2.18 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, associated entities and jointly controlled entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associated entities and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 Employee benefits

(a) *Pension obligations*

The Group participates in various defined contribution plans under which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(c) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

(d) *Profit-sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

2.20 Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (a) Revenue from sales of properties is recognised upon completion of sale agreements, which refers to the time when the relevant properties have been completed and delivered to the purchasers pursuant to the sale agreements. Deposits and instalments received on properties sold prior to their completion are included in current liabilities.
- (b) Operating lease rental income is recognised on a straight-line basis over the lease period.
- (c) Revenue from property management is recognised in the period in which the services are rendered.
- (d) Revenue from the sales of goods is recognised upon the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- (e) Toll revenue is recognised on a receipt basis.
- (f) Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.
- (g) Dividend income is recognised when the right to receive payment is established.
- (h) Agency fee revenue from property brokering is recognised when the relevant agreement becomes unconditional or irrevocable.

2.22 Leases

(a) *Operating lease*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

The up-front prepayments made for leasehold land and land use rights are charged to the consolidated income statement on a straight-line basis over the period of the lease. Where there is impairment, the impairment loss is charged to the consolidated income statement.

(b) *Finance lease*

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is recognised in the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.23 Government grants

Grants from government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.25 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that an outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognised.

2.26 Financial guarantees

Financial guarantee contracts under which the Group accepts significant risk from a third party by agreeing to compensate that party on the occurrence of a specified uncertain future event are accounted for in a manner similar to insurance contracts. Provisions are recognised when it is probable that the Group has obligations under such guarantees and an outflow of economic resources will be required to settle the obligations.

2.27 Discontinued operation

A discontinued operation is a component of the Group's business that has been disposed of and represents a separate major line of business which operations and cash flow can be distinguished.

2.28 Comparative figures

Certain prior year comparative figures have been reclassified to conform with the changes in presentation in the current year.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) *Market risk*

(i) Foreign exchange risk

A majority of the subsidiaries of the Group operate in China with most of their transactions denominated in Renminbi. The Group is exposed to foreign exchange risk arising from the exposure of Renminbi against Hong Kong dollar. The Group has not specifically hedged this exposure considering the steady appreciation of Renminbi spot rate against Hong Kong dollar in recent years and it is of the view that such appreciation will continue on a stable and predictable trend.

At 31 December 2009, if Renminbi had weakened/strengthened by 5 percent against Hong Kong dollar with all other variables held constant, post-tax loss/profit for the year would have been approximately HK\$53 million higher/lower (2008: HK\$230 million lower/higher), mainly as a result of foreign exchange losses/gains on translation of Hong Kong dollar-denominated monetary assets and liabilities.

(ii) Cash flow interest rate risk

At 31 December 2009, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax loss/profit for the year would have been approximately HK\$17 million higher/lower (2008: HK\$43 million lower/higher) respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(iii) Price risk

The Group is exposed to equity securities price risk in its available-for-sale financial assets. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The available-for-sale financial assets are mainly unlisted equity instruments in China and if the fair value of these equity investments increased or decreased by 10 percent, the Group's equity would have been increased or decreased by approximately HK\$88 million (2008: HK\$70 million).

(b) *Credit risk*

Credit risk arises from cash and cash equivalents, charged bank deposits, amounts due from related parties as well as trade receivables and certain other receivables.

The Group has policies in place to ensure that sales are made to buyers/customers with an appropriate financial strength and appropriate percentage of down payment. It also has other monitoring procedures to ensure that follow up action is taken to recover overdue

debts. In addition, the Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentration of credit risks, with exposure spread over a number of counterparties and customers.

The carrying amount of the receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to these financial assets. The credit risk for bank deposits and bank balances is considered by the Group to be minimal as such amounts are generally placed with state-owned banks or banks with good ratings.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayment. Detailed disclosure of these guarantees is made in Note 42.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by counterparties. The Group does not hold any collateral as security.

None of the financial assets that are fully performing has been renegotiated in last year.

(c) *Liquidity risk*

Due to the capital intensive nature of the Group's business, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

Management monitors rolling forecasts of the Group's liquidity reserve which comprises undrawn borrowing facilities and cash and cash equivalents (Note 31) on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	With no fixed repayment terms HK\$'000	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
Group						
At 31 December 2009						
Borrowings	—	2,527,876	3,122,291	6,934,820	3,992,838	16,577,825
Trade payables	—	138,680	—	—	—	138,680
Land premium payable	—	498,787	—	—	—	498,787
Other payables and accrued charges	—	3,566,943	—	—	—	3,566,943
Financial guarantees	—	180,841	300,607	694,097	—	1,175,545
At 31 December 2008						
Borrowings	362,774	6,208,324	1,861,055	1,805,032	2,076,130	12,313,315
Trade payables	—	96,877	—	—	—	96,877
Land premium payable	—	560,046	—	—	—	560,046
Other payables and accrued charges	—	3,771,455	—	—	—	3,771,455
Financial guarantees	—	568,959	254,845	59,264	—	883,068
Company						
At 31 December 2009						
Borrowings	—	420,787	717,173	3,270,673	—	4,408,633
Amounts due to subsidiaries	37,268	—	—	—	—	37,268
Other payables and accrued charges	—	118,717	—	—	—	118,717
Financial guarantees	41,365	—	—	—	—	41,365
At 31 December 2008						
Borrowings	—	4,237,300	2,932	64,882	—	4,305,114
Amounts due to subsidiaries	37,215	—	—	—	—	37,215
Other payables and accrued charges	—	111,917	—	—	—	111,917
Financial guarantees	40,152	—	—	—	—	40,152

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's policy is to borrow centrally, using a mixture of long-term and short-term borrowing facilities, to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are on-lent or contributed as equity to certain subsidiaries.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The gearing ratios at 31 December 2009 and at 31 December 2008 were as follows:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total borrowings (<i>Note 34</i>)	14,302,539	10,140,678
Less: Cash and cash equivalents (<i>Note 31</i>)	<u>(4,915,280)</u>	<u>(3,496,547)</u>
Net debt	9,387,259	6,644,131
Total equity (excluding minority interests)	<u>13,300,880</u>	<u>14,479,118</u>
Total capital	<u><u>22,688,139</u></u>	<u><u>21,123,249</u></u>
Gearing ratio	41%	31%

The increase in the gearing ratio during 2009 resulted primarily from increasing in the bank borrowings to finance certain major property development projects.

3.3 Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purpose is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Effective 1 January 2009, the Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

As at 31 December 2009, the Group held available-for-sale financial assets of approximately HK\$1,229 million, which is classified as level 2 financial instrument.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities are discussed below.

(a) Impairment of leasehold land and land use rights and property, plant and equipment

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of property, plant and equipment, leasehold land and land use rights have been determined based on the higher of their value-for-sale or value-in-use, taking into account the latest market information and past experience.

(b) Net realisable value of properties under development and properties held for sale

The Group writes down properties under development and properties held for sale to net realisable value based on assessment of the realisability of properties under development and properties held for sale which takes into account cost to completion based on past experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease which may result in writing down properties under development and properties held for sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the

balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of properties under development and properties held for sale is adjusted in the period in which such estimate is changed.

(c) **Fair value of investment properties**

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), with adjustments to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimate of fair value are those relating to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield, and actual transactions of the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(d) Provision for withholding income tax on undistributed profits

The Group is subject to withholding income tax on undistributed profits of its foreign-invested enterprises in China. Significant judgement is required in determining the dividend pay-out policy of the foreign-invested enterprises controlled by the Group and the amount of the provision for withholding income tax. The Group monitors its dividend pay-out policy and may demand for dividend distribution from the foreign-invested enterprises controlled by the Group. This may result in additional tax provisions as disclosed in Note 9.

(e) Current and deferred income tax

The Group is subject to income tax primarily in China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the land appreciation tax, income tax and deferred tax provisions in the period in which such determination are made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimate is changed.

(f) Depreciation of property, plant and equipment

The Group depreciates its property, plant and equipment on a straight-line basis over their estimated useful lives, after taking into account their estimated residual value commencing from the date the asset is placed into productive use. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

(g) Accruals for construction cost of public facilities

The Group is required to construct certain public facilities in connection with obtaining certain land use rights for construction of properties in China. The Group estimates the accruals for these costs for construction based on historical actual construction costs as adjusted for the effect of inflation. The Group regularly updates the construction schedules of public facilities and reviews the adequacy of the accrued balance.

(h) Fair value of available-for-sale financial assets

The best evidence of fair value is current prices in an active market for similar available-for-sale financial assets. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for the available-for-sale financial assets of different nature, condition or location, with adjustments to reflect those differences; and
- (ii) recent prices of similar available-for-sale financial assets in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(i) Impairment of trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. The amount of the provision is recognised in the consolidated income statement. In determining whether there is any impairment, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors ("the Board"). Management determines the operating segments based on the Group's internal reports, which are then submitted to the board for performance assessment and resources allocation.

The Board considers the business by nature of business activities and assesses the performance of property development, property management, property investment and toll operations (disposed in 2009) and others.

The Board assesses the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Other information provided, except as noted below, to the Board is measured in a manner consistent with that in the consolidated financial statements.

Total assets excluded deferred tax assets, taxation recoverable and corporate assets. Corporate assets are not directly attributable to segments.

APPENDIX I
FINANCIAL INFORMATION

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the consolidated income statement.

	Property development <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total continuing operations <i>HK\$'000</i>	Discontinued operations (Toll operations and paper) <i>HK\$'000</i>	Group <i>HK\$'000</i>
Year ended 31 December 2009							
Revenue	3,945,844	393,861	320,875	743,709	5,404,289	989,840	6,394,129
Inter-segment revenue	—	(21,346)	(984)	(81,747)	(104,077)	—	(104,077)
Revenue from external customers	<u>3,945,844</u>	<u>372,515</u>	<u>319,891</u>	<u>661,962</u>	<u>5,300,212</u>	<u>989,840</u>	<u>6,290,052</u>
Segment results	<u>1,106,770</u>	<u>10,375</u>	<u>604,146</u>	<u>(99,123)</u>	<u>1,622,168</u>	<u>433,973</u>	<u>2,056,141</u>
Share of profit/(loss) of:							
— jointly controlled entities	(1,981)	—	—	—	(1,981)	(6,440)	(8,421)
— associated entities	<u>123,245</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>123,245</u>	<u>220,938</u>	<u>344,183</u>
Year ended 31 December 2008							
Revenue	1,874,822	362,519	312,608	780,545	3,330,494	3,867,197	7,197,691
Inter-segment revenue	—	(32,151)	(2,339)	(137,481)	(171,971)	—	(171,971)
Revenue from external customers	<u>1,874,822</u>	<u>330,368</u>	<u>310,269</u>	<u>643,064</u>	<u>3,158,523</u>	<u>3,867,197</u>	<u>7,025,720</u>
Segment results	<u>275,981</u>	<u>19,380</u>	<u>141,771</u>	<u>(67,470)</u>	<u>369,662</u>	<u>546,688</u>	<u>916,350</u>
Share of profit/(loss) of:							
— jointly controlled entities	(786)	—	—	—	(786)	(19,816)	(20,602)
— associated entities	<u>89,068</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>89,068</u>	<u>271,513</u>	<u>360,581</u>

APPENDIX I
FINANCIAL INFORMATION

	Property development	Property management	Property investment	Others	Discontinued operations (Toll operations)	Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 31 December 2009						
Segment assets	28,612,098	234,046	8,505,995	598,047	—	37,950,186
Interests in jointly controlled entities	187,018	—	—	—	—	187,018
Interests in associated entities	<u>1,661,729</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,661,729</u>
Total assets	<u>30,460,845</u>	<u>234,046</u>	<u>8,505,995</u>	<u>598,047</u>	<u>—</u>	<u>39,798,933</u>
As at 31 December 2008						
Segment assets	21,982,952	141,720	5,943,845	414,881	9,781,674	38,265,072
Interests in jointly controlled entities	189,637	—	—	—	269,151	458,788
Interests in associated entities	<u>1,627,160</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,090,232</u>	<u>3,717,392</u>
Total assets	<u>23,799,749</u>	<u>141,720</u>	<u>5,943,845</u>	<u>414,881</u>	<u>12,141,057</u>	<u>42,441,252</u>

A reconciliation of total segment results to total profit before tax and discontinued operations is provided as follows:

	Year ended 31 December	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment results	1,622,168	369,662
Unallocated operating costs	(226,975)	(74,279)
Gain on disposal of a subsidiary	<u>—</u>	<u>28,552</u>
Operating profit	1,395,193	323,935
Finance income	52,618	33,108
Finance costs	(72,179)	(165,813)
Net foreign exchange gain on financing activities	18,122	242,988
Share of profit/(loss) of:		
— jointly controlled entities	(1,981)	(786)
— associated entities	123,245	89,068
Excess of the share of the fair value of net assets of an associated entity acquired over acquisition cost	<u>—</u>	<u>40,988</u>
Profit before tax and discontinued operations	<u>1,515,018</u>	<u>563,488</u>

A reconciliation of reportable segments' assets to total assets is provided as follows:

	As at 31 December	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total segment assets	39,798,933	42,441,252
Deferred tax assets	83,096	90,592
Taxation recoverable	379,408	136,951
Corporate assets	<u>1,158,251</u>	<u>264,199</u>
Total assets	<u>41,419,688</u>	<u>42,932,994</u>

	Revenue from continuing operations		Total assets	
	Year ended 31 December		As at 31 December	
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	160,475	127,045	2,254,894	2,076,744
China	5,138,543	3,030,267	37,499,919	40,322,112
Overseas	<u>1,194</u>	<u>1,211</u>	<u>44,120</u>	<u>42,396</u>
	<u>5,300,212</u>	<u>3,158,523</u>	39,798,933	42,441,252
Unallocated assets			<u>1,620,755</u>	<u>491,742</u>
			<u>41,419,688</u>	<u>42,932,994</u>

6 EXPENSES BY NATURE

Cost of sales, selling and distribution expenses, and general and administrative expenses of continuing operations included the following:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Advertising and promotion expenses	147,973	119,502
Cost of inventories/properties sold included in cost of sales	3,130,457	1,617,738
Direct operating expenses arising from investment properties		
- that generate rental income	67,816	67,796
- that did not generate rental income	204	204
Depreciation		
- Owned property, plant and equipments	48,914	37,087
- Leased property, plant and equipments	46	40
Provision for impairment of property, plant and equipment (<i>Note 16</i>)	4,730	1,113
Amortisation of leasehold land and land use rights	123,662	116,326
(Reversal of)/provision for impairment of leasehold land and land use rights (<i>Note 18</i>)	(39,199)	53,333
Operating leases - Land and buildings	2,863	1,044
Auditor's remuneration	7,376	7,937
Employee benefit expenses (<i>Note 13</i>)	596,214	567,944
Provision for impairment of properties under development and properties held for sale	—	3,037
Provision for other receivables	—	41,920
Write-off of bad debts	1,297	—
Reversal of provision for trade receivables	(14,147)	—
Others	<u>184,205</u>	<u>119,657</u>
	<u><u>4,262,411</u></u>	<u><u>2,754,678</u></u>

7 FINANCE INCOME

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income from bank deposits	18,069	33,108
Interest income on receivables from third parties	<u>34,549</u>	<u>—</u>
	<u><u>52,618</u></u>	<u><u>33,108</u></u>

8 FINANCE COSTS

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans and overdrafts wholly repayable within five years	343,267	376,912
Interest on bank loans wholly repayable over five years	128,626	37,729
Bank loan handling fees	8,999	7,026
Interest on loans from related companies	<u>656</u>	<u>1,764</u>
Total borrowing costs incurred	481,548	423,431
Less: amount capitalised as investment properties, properties under development and property, plant and equipment (<i>Note</i>)	<u>(409,369)</u>	<u>(257,618)</u>
	<u><u>72,179</u></u>	<u><u>165,813</u></u>

Note: The average interest rate of borrowing costs capitalised for the year ended 31 December 2009 was approximately 6.34 percent per annum (2008: 5.53 percent per annum).

9 TAXATION

- (a) Hong Kong profits tax has been provided at the rate of 16.5 percent (2008: 16.5 percent) on the estimated assessable profit for the year.
- (b) China enterprise income taxation is provided on the profits of the Group's subsidiaries, associated entities and jointly controlled entities in China at 25 percent (2008: 25 percent).

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to corporate withholding income tax at tax rates ranging from 5 percent to 10 percent. In 2008, no provision for withholding income tax was made for undistributed profit of the Group's subsidiaries in China since the Group had sufficient cash surplus as at 31 December 2008 and would not demand for dividend distribution from its subsidiaries in China in the coming future. Subsequent to the disposal of GZI Transport Limited ("Transport"), a subsidiary of the Group, during 2009, the Group revisited its dividend pay-out policy and considered it is necessary to demand dividend distribution from the subsidiaries in China. Accordingly, withholding income tax was provided for the dividend distributed during the year and undistributed profit, recognised based on HKFRS, of the Group's subsidiaries, jointly controlled entities and associated entities in PRC at a tax rate of 5 percent or 10 percent, when applicable, for the year ended 31 December 2009.

(c) China land appreciation tax is levied at progressive rates ranging from 30 percent to 60 percent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including costs of land, development and construction.

(d) The amount of taxation charged to the consolidated income statement comprises:

	2009	2008
Company and subsidiaries	<i>HK\$'000</i>	<i>HK\$'000</i>
Current taxation		
Hong Kong profits tax	1,357	2,589
China enterprise income tax	107,272	310,970
China land appreciation tax	313,912	266,866
Corporate withholding income tax	49,030	—
Under/(over)-provision in prior years	24,569	(13,649)
Deferred taxation		
Origination and reversal of temporary difference	53,277	(428,445)
Impact of change in tax rate	—	(1,255)
Corporate withholding income tax on undistributed profits	<u>164,331</u>	<u>—</u>
	<u>713,748</u>	<u>137,076</u>

The taxation on the Group's profit before tax less share of profits less losses of associated entities and jointly control entities differs from the theoretical amount that would arise using the enterprise income tax rate of China, where majority of the Group's operations were carried out, as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit before tax less share of profits less losses of associated entities and jointly controlled entities	<u>1,393,754</u>	<u>475,206</u>
Calculated at China enterprise income tax rate of 25 percent (2008: 25 percent)	348,438	118,801
Effect of different taxation rates	(3,255)	(5,100)
Impact of change in tax rate	—	(931)
Income not subject to taxation	(6,764)	(33,965)
Expenses not deductible for taxation purposes	24,737	27,896
Net effect of tax loss not recognised and utilisation of previously unrecognised tax losses	6,995	8,834
Under/(over)-provision in prior years	24,569	(13,649)
Effect of land appreciation tax deductible for calculation of income tax purposes	(35,223)	(11,730)
Corporate withholding income tax	<u>213,361</u>	<u>—</u>
	572,858	90,156
Land appreciation tax	<u>140,890</u>	<u>46,920</u>
Taxation charges	<u>713,748</u>	<u>137,076</u>

10 PROFIT FOR THE YEAR

The profit for the year is dealt with in the financial statements of the Company to the extent of HK\$582,110,000 (2008: HK\$203,527,000).

11 EARNINGS PER SHARE**Basic**

Basic earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the year.

	2009	2008
Profit from continuing operations attributable to equity holders of the Company (HK\$'000)	724,824	417,455
(Loss)/profit from discontinued operations attributable to equity holders of the Company (HK\$'000)	<u>(1,422,238)</u>	<u>190,509</u>
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	<u>(697,414)</u>	<u>607,964</u>
Weighted average number of ordinary shares in issue ('000)	<u>7,128,839</u>	<u>7,125,702</u>
Basic (losses)/earnings per share (HK cents)		
From continuing operations	10.17	5.86
From discontinued operations	<u>(19.95)</u>	<u>2.67</u>
	<u>(9.78)</u>	<u>8.53</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding during the year which are dilutive potential ordinary shares. Calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

APPENDIX I**FINANCIAL INFORMATION**

	2009	2008
Profit from continuing operations attributable to equity holders of the Company (HK\$'000)	724,824	417,455
(Loss)/profit from discontinued operations attributable to equity holders of the Company (HK\$'000)	<u>(1,422,238)</u>	<u>190,509</u>
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	<u>(697,414)</u>	<u>607,964</u>
Weighted average number of ordinary shares in issue ('000)	7,128,839	7,125,702
Adjustments for share options ('000)	<u>40,799</u>	<u>37,537</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>7,169,638</u>	<u>7,163,239</u>
Diluted (losses)/earnings per share (HK cents)		
From continuing operations	10.11	5.83
From discontinued operations	<u>(19.84)</u>	<u>2.66</u>
	<u>(9.73)</u>	<u>8.49</u>

12 DIVIDENDS

The dividends paid in 2009 and 2008 were approximately HK\$717 million (HK10.05 cents per share) and HK\$363 million (HK5.10 cents per share) respectively. The directors do not recommend the payment of a final dividend for the year ended 31 December 2009.

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim, paid, of nil (2008: HK2.60 cents) per ordinary share	—	185,298
Special, paid (2008: Nil) (<i>Note</i>)	660,403	—
Final, proposed, of nil (2008: HK0.8 cent) per ordinary share	<u>—</u>	<u>57,015</u>
	<u>660,403</u>	<u>242,313</u>

Note:

Special dividend was paid by way of the following:

- (a) shares in Transport of approximately HK\$438 million on the basis of 60 shares of Transport for every 2,000 shares held in the Company; and
- (b) cash of approximately HK\$222 million.

13 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Wages, salaries and bonus	474,204	415,511
Pension costs (defined contribution plans)	37,193	24,334
Medical benefits costs (defined contribution plans)	10,132	9,880
Social security costs	39,519	30,973
Termination benefits	785	1,725
Staff welfare	34,013	84,012
Share options	<u>368</u>	<u>1,509</u>
	<u>596,214</u>	<u>567,944</u>

Pension scheme arrangements

The Group operates a defined contribution scheme ("ORSO Scheme") for certain Hong Kong employees under the Occupational Retirement Schemes Ordinance. Contributions to the scheme by the employer and employees are calculated at 5 percent to 20 percent and 5 percent respectively of the employees' basic salaries.

The Group's contributions to the ORSO Scheme are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. There are no forfeited contributions for both years presented.

The Group also participates in the Mandatory Provident Fund Scheme ("MPF Scheme") for other Hong Kong employees. The Group's contributions under the MPF Scheme are at 5 percent of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,000 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme if their relevant income is more than HK\$5,000 per month. The contributions under the MPF Scheme are fully and immediately vested in the employees as accrued benefits once they are paid.

Subsidiaries of the Company in China are required to participate in defined contribution retirement plans organised by the respective Provincial or Municipal Government, and make monthly contributions to the retirement plans in the range of 16 to 24 percent of the monthly salaries of the employees.

14 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

- (a) The remuneration of every Director received from the Company for the year ended 31 December 2009 is set out below:

Name of Director	Fees HK\$'000	Salaries HK\$'000	Discretionary	Pension	Total HK\$'000
			bonuses HK\$'000	costs HK\$'000	
LU Zhifeng	—	885	4,680	236	5,801
ZHANG Zhaoxing ¹	—	955	4,580	257	5,792
LIANG Yi ¹	—	1,108	4,290	273	5,671
TANG Shouchun	—	1,108	4,270	273	5,651
WANG Hongtao	—	1,306	—	—	1,306
ZHOU Jin	—	1,067	—	—	1,067
LI Xinmin ¹ (Note (i))	—	900	2,964	215	4,079
HE Zili ¹ (Note (ii))	—	593	1,360	140	2,093
YU Lup Fat Joseph	180	—	—	—	180
LEE Ka Lun	180	—	—	—	180
LAU Hon Chuen Ambrose ¹	180	—	—	—	180
Total	540	7,922	22,144	1,394	32,000

- (a) The remuneration of every Director received from GZI Transport Limited for the year ended 31 December 2009 is set out below:

Name of Director	Fees HK\$'000	Salaries HK\$'000	Discretionary	Pension	Total HK\$'000
			bonuses HK\$'000	costs HK\$'000	
ZHANG Zhaoxing ¹	—	660	1,388	—	2,048
LIANG Yi ¹	—	500	1,052	—	1,552
LI Xinmin ¹ (Note (i))	—	660	1,388	—	2,048
HE Zili ¹ (Note (ii))	—	384	891	—	1,275
Total	—	2,204	4,719	—	6,923

Note:

(i) Resigned on 3 November 2009

(ii) Resigned on 14 August 2009

¹ Also acts as director of GZI Transport Limited which was disposed of in 2009

- (b) The remuneration of every Director received from the Company for the year ended 31 December 2008 is set out below:

Name of Director	Fees	Salaries	Discretionary bonuses	Pension costs	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
LU Zhifeng (<i>Note (i)</i>)	—	509	1,500	90	2,099
ZHANG Zhaoxing ¹ (<i>Note (i)</i>)	—	479	1,300	83	1,862
OU Bingchang ¹ (<i>Note (ii)</i>)	—	760	2,100	187	3,047
LIANG Yi ¹	—	1,096	3,000	284	4,380
TANG Shouchun	—	1,098	2,500	284	3,882
WANG Hongtao	—	827	2,500	—	3,327
ZHOU Jin	—	677	—	—	677
LI Xinmin ¹	—	1,095	2,500	284	3,879
HE Zili ¹	—	850	2,500	223	3,573
YU Lup Fat Joseph	180	—	—	—	180
LEE Ka Lun	180	—	—	—	180
LAU Hon Chuen Ambrose ¹	180	—	—	—	180
ZHANG Huaqiao (<i>Note (iii)</i>)	50	—	—	—	50
Total	<u>590</u>	<u>7,391</u>	<u>17,900</u>	<u>1,435</u>	<u>27,316</u>

- (b) The remuneration of every Director received from GZI Transport Limited for the year ended 31 December 2008 is set out below:

Name of Director	Fees <i>HK\$'000</i>	Salaries <i>HK\$'000</i>	Discretionary bonuses <i>HK\$'000</i>	Pension costs <i>HK\$'000</i>	Total <i>HK\$'000</i>
ZHANG Zhaoxing ¹ (Note (i))	—	300	802	—	1,102
OU Bingchang ¹ (Note (ii))	—	420	1,123	—	1,543
LIANG Yi ¹	—	600	1,604	—	2,204
LI Xinmin ¹	—	720	1,924	—	2,644
HE Zili ¹	—	600	1,604	—	2,204
LAU Hon Chuen Ambrose ¹	<u>180</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>180</u>
Total	<u><u>180</u></u>	<u><u>2,640</u></u>	<u><u>7,057</u></u>	<u><u>—</u></u>	<u><u>9,877</u></u>

Note:

- (i) Appointed on 31 July 2008
- (ii) Resigned on 31 July 2008
- (iii) Appointed on 17 April 2008 and resigned on 29 September 2008

¹ Also acts as director of GZI Transport Limited

No Directors waived emoluments in respect of the years ended 31 December 2009 and 2008. No emoluments were paid or payable by the Group to any Director as an inducement to join or upon joining the Group, or as compensation for loss of office for both years presented.

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2009 and 2008 are also Directors whose emoluments are reflected in the analyses presented above.

15 INTANGIBLE OPERATING RIGHTS

	Group <i>HK\$'000</i>
At 1 January 2008	
Cost	7,905,189
Accumulated amortisation	<u>(1,109,905)</u>
Closing net book amount	<u>6,795,284</u>
Year ended 31 December 2008	
Opening net book amount	6,795,284
Additions	3,818
Amortisation	(163,771)
Exchange differences	<u>412,919</u>
Closing net book amount	<u>7,048,250</u>
At 31 December 2008	
Cost	8,393,290
Accumulated amortisation	<u>(1,345,040)</u>
Net book amount	<u>7,048,250</u>
Year ended 31 December 2009	
Opening net book amount	7,048,250
Additions	12,609
Amortisation	(208,934)
Disposal	(143,682)
Impairment	(172,200)
Acquisition of a subsidiary (<i>Note 20(d)</i>)	648,260
Disposal of a subsidiary (<i>Note 20(e)</i>)	<u>(7,184,303)</u>
Closing net book amount	<u>—</u>
At 31 December 2009	
Cost	—
Accumulated amortisation	<u>—</u>
Net book amount	<u>—</u>

At 31 December 2009, a toll highway operating right with net book amount of nil (2008: HK\$5,031 million) was pledged as collateral for the Group's bank borrowings.

16 PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Buildings	Construction in progress	Plant and machinery and tools	Leasehold improvements, furniture, fixtures and office equipment	Motor vehicles	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2008						
Cost	620,292	3,245,026	2,011,441	287,075	105,408	6,269,242
Accumulated depreciation and impairment	(192,873)	—	(595,134)	(198,483)	(59,842)	(1,046,332)
Net book amount	<u>427,419</u>	<u>3,245,026</u>	<u>1,416,307</u>	<u>88,592</u>	<u>45,566</u>	<u>5,222,910</u>
Year ended 31 December 2008						
Opening net book amount	427,419	3,245,026	1,416,307	88,592	45,566	5,222,910
Exchange differences	8,819	107,463	171,774	16,732	3,494	308,282
Additions	1,648	58,522	1,497	14,334	9,543	85,544
Disposals	(6,741)	—	—	(2,475)	(224)	(9,440)
Transfer to investment properties	(3,291)	—	—	—	—	(3,291)
Reclassification	—	(3,058,108)	3,050,255	7,853	—	—
Acquisition of a subsidiary (Note 20(c))	76,351	—	—	5,349	—	81,700
Disposal of a subsidiary (Note 20(b))	(36,778)	(252,287)	(4,257,607)	(38,296)	(22,741)	(4,607,709)
Depreciation						
- continuing operations	(23,576)	—	—	(7,330)	(6,221)	(37,127)
- discontinued operations	(734)	—	(129,589)	(18,672)	(4,133)	(153,128)
Impairment						
- continuing operations	(1,113)	—	—	—	—	(1,113)
- discontinued operations	—	—	(252,637)	—	—	(252,637)
Closing net book amount	<u>442,004</u>	<u>100,616</u>	<u>—</u>	<u>66,087</u>	<u>25,284</u>	<u>633,991</u>
At 31 December 2008						
Cost	665,408	100,616	—	186,078	72,444	1,024,546
Accumulated depreciation and impairment	(223,404)	—	—	(119,991)	(47,160)	(390,555)
Net book amount	<u>442,004</u>	<u>100,616</u>	<u>—</u>	<u>66,087</u>	<u>25,284</u>	<u>633,991</u>

	Buildings <i>HK\$'000</i>	Construction in progress <i>HK\$'000</i>	Plant and machinery and tools <i>HK\$'000</i>	Leasehold improvements, furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2009						
Opening net book amount	442,004	100,616	—	66,087	25,284	633,991
Exchange differences	412	768	—	74	84	1,338
Additions	8,380	289,855	—	18,661	9,665	326,561
Disposals	(5,094)	—	—	(1,873)	(828)	(7,795)
Transfer from properties under development	—	619,554	—	—	—	619,554
Acquisition of a subsidiary (<i>Note 20(d)</i>)	—	—	—	32,467	310	32,777
Disposal of a subsidiary (<i>Note 20(e)</i>)	(9,736)	—	—	(55,262)	(5,680)	(70,678)
Depreciation						
- continuing operations	(33,014)	—	—	(9,564)	(6,382)	(48,960)
- discontinued operations	(673)	—	—	(6,042)	(857)	(7,572)
Impairment in continuing operations	(4,730)	—	—	—	—	(4,730)
Closing net book amount	<u>397,549</u>	<u>1,010,793</u>	<u>—</u>	<u>44,548</u>	<u>21,596</u>	<u>1,474,486</u>
At 31 December 2009						
Cost	643,487	1,010,793	—	139,725	68,815	1,862,820
Accumulated depreciation and impairment	<u>(245,938)</u>	<u>—</u>	<u>—</u>	<u>(95,177)</u>	<u>(47,219)</u>	<u>(388,334)</u>
Net book amount	<u>397,549</u>	<u>1,010,793</u>	<u>—</u>	<u>44,548</u>	<u>21,596</u>	<u>1,474,486</u>

(b) Company

	Buildings <i>HK\$'000</i>	Leasehold improvements, furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2008				
Cost	15,613	1,701	6,738	24,052
Accumulated depreciation	<u>(5,932)</u>	<u>(1,115)</u>	<u>(3,482)</u>	<u>(10,529)</u>
Net book amount	<u>9,681</u>	<u>586</u>	<u>3,256</u>	<u>13,523</u>
Year ended 31 December 2008				
Opening net book amount	9,681	586	3,256	13,523
Additions	—	300	3,353	3,653
Disposal	—	(19)	—	(19)
Depreciation	<u>(297)</u>	<u>(230)</u>	<u>(1,847)</u>	<u>(2,374)</u>
Closing net book amount	<u>9,384</u>	<u>637</u>	<u>4,762</u>	<u>14,783</u>
At 31 December 2008				
Cost	15,613	1,751	7,531	24,895
Accumulated depreciation	<u>(6,229)</u>	<u>(1,114)</u>	<u>(2,769)</u>	<u>(10,112)</u>
Net book amount	<u>9,384</u>	<u>637</u>	<u>4,762</u>	<u>14,783</u>
Year ended 31 December 2009				
Opening net book amount	9,384	637	4,762	14,783
Additions	—	511	909	1,420
Disposal	—	(1)	—	(1)
Depreciation	<u>(297)</u>	<u>(285)</u>	<u>(2,590)</u>	<u>(3,172)</u>
Closing net book amount	<u>9,087</u>	<u>862</u>	<u>3,081</u>	<u>13,030</u>
At 31 December 2009				
Cost	15,613	2,182	8,440	26,235
Accumulated depreciation	<u>(6,526)</u>	<u>(1,320)</u>	<u>(5,359)</u>	<u>(13,205)</u>
Net book amount	<u>9,087</u>	<u>862</u>	<u>3,081</u>	<u>13,030</u>

Property, plant and equipment of the Group with an aggregate carrying amount of HK\$879 million (2008: HK\$95 million) were pledged as collateral for the Group's bank borrowings (Note 43).

17 INVESTMENT PROPERTIES

(a) Group

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Beginning of the year	5,943,845	5,984,228
Exchange differences	10,874	309,892
Additions	42,152	7,387
Transfer from property, plant and equipment	—	3,291
Transfer from properties held for sale, properties under development, leasehold land and land use rights	2,415,394	288,976
Disposals	(210,282)	(378,129)
Fair value gains/(losses)		
- continuing operations	312,812	(271,050)
- discontinued operations	—	(750)
Disposal of a subsidiary (<i>Note 20(e)</i>)	<u>(8,800)</u>	<u>—</u>
End of the year	<u>8,505,995</u>	<u>5,943,845</u>

(b) Company

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Beginning of the year	12,440	12,530
Fair value gains/(losses)	<u>4,860</u>	<u>(90)</u>
End of the year	<u>17,300</u>	<u>12,440</u>

The investment properties were revalued at 31 December 2009 on an open market value basis by an independent firm of professional qualified surveyors, Greater China Appraisal Limited, employed by the Group. Valuations were performed using discounted cash flow projections based on estimates of future cash flows derived from the terms of any existing lease and other contracts and from external evidence such as current market rents for similar properties in the same location and condition, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

As at 31 December 2009, investment properties with an aggregate net book amount of HK\$5,165 million (2008: HK\$2,979 million) were pledged as collateral for the Group's bank borrowings (Note 43).

The Group's and the Company's interests in investment properties at their net book values are analysed as follows:

	Group		Company	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
In Hong Kong:				
Leases of between 10 to 50 years	443,866	430,148	—	—
Leases of over 50 years	152,200	137,390	17,300	12,440
Outside Hong Kong (Note):				
Leases or land use rights of between 10 to 50 years	<u>7,909,929</u>	<u>5,376,307</u>	<u>—</u>	<u>—</u>
	<u>8,505,995</u>	<u>5,943,845</u>	<u>17,300</u>	<u>12,440</u>

Note: Properties outside Hong Kong mainly comprise properties located in China.

18 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Beginning of the year	11,331,301	8,676,498
Additions	3,308,253	2,551,176
Recognise as cost of sales upon sales of properties	(647,393)	(342,385)
Transfer to investment properties	(649,437)	(105,272)
Amortisation charged to income statement		
- continuing operations	(123,662)	(116,326)
- discontinued operations	(18)	(1,415)
Amortisation capitalised in properties under development	(86,452)	(75,298)
Exchange differences	17,644	532,792
Reversal of/(provision for) impairment (<i>Note 6</i>)	39,199	(53,333)
Acquisition of a subsidiary (<i>Note 20(c)</i>)	—	318,300
Disposal of a subsidiary (<i>Note 20(e),(b)</i>)	(649)	(53,436)
	<u>13,188,786</u>	<u>11,331,301</u>
End of the year		
Analysed as:		
Non-current		
- in relation to properties held for development	5,353,623	3,942,287
- in relation to property, plant and equipment	947,040	661,634
	<u>6,300,663</u>	<u>4,603,921</u>
Current		
- in relation to properties under development (<i>Note (i)</i>)	6,717,068	6,615,117
- in relation to properties held for sale	171,055	112,263
	<u>6,888,123</u>	<u>6,727,380</u>
	<u>13,188,786</u>	<u>11,331,301</u>

Note:

- (i) Included in the balance is an amount of approximately HK\$338 million (2008: HK\$347 million) which represents the land use right that the Group has contributed into a property project in exchange for certain property units to be developed on the land upon completion of the project.

The Group's leasehold land and land use rights at their net book values are analysed as follows:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
In China:		
Land use rights of over 50 years	9,800,937	6,962,210
Land use rights of between 10 to 50 years	2,235,157	3,231,002
In Hong Kong:		
Leases of over 50 years	229,954	239,124
Leases of between 10 to 50 years	<u>922,738</u>	<u>898,965</u>
	<u>13,188,786</u>	<u>11,331,301</u>

Land use rights with an aggregate net book amount of approximately HK\$5,151 million (2008: HK\$2,185 million) as at 31 December 2009 were pledged as collateral for the Group's bank borrowings (Note 43).

19 INTERESTS IN SUBSIDIARIES

	Company	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Investments in unlisted shares, at cost	67,818	67,710
Amounts due from subsidiaries (<i>Note (a)</i>)	<u>12,395,572</u>	<u>13,872,233</u>
	<u>12,463,390</u>	<u>13,939,943</u>
Amounts due to subsidiaries (<i>Note (b)</i>)	<u>(37,268)</u>	<u>(37,215)</u>

- (a) The amounts due from subsidiaries are unsecured and have no fixed terms of repayment. Except for a total amount of approximately HK\$8,983 million (2008: approximately HK\$10,530 million) which are interest free, all amounts due from subsidiaries are interest bearing at 2.5 to 5.5 percent (2008: 2.92 to 5.92 percent) per annum.

These balances were not in default or impaired, except for an amount due from a subsidiary of approximately HK\$111 million which had been fully provided for as at 31 December 2008.

The amounts due from subsidiaries are denominated in the following currencies:

	Company	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong dollar	5,251,154	7,653,038
Renminbi	6,846,161	5,921,124
Others	<u>298,257</u>	<u>298,071</u>
	<u>12,395,572</u>	<u>13,872,233</u>

- (b) The amounts due to subsidiaries are interest free, unsecured and repayable on demand.

The amounts due to subsidiaries are denominated in the following currencies:

	Company	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong dollar	38	43
Renminbi	<u>37,230</u>	<u>37,172</u>
	<u>37,268</u>	<u>37,215</u>

20 DISPOSALS AND ACQUISITIONS OF SUBSIDIARIES

(a) Disposal of Metrogold

On 1 June 2008, the Group disposed of the entire equity interest in Metrogold Development Limited (“Metrogold”), a subsidiary of the Group which is principally engaged in property development, to GZI Real Estate Investment Trust (“GZI REIT”), an associated entity of the Group, in exchange for cash and additional units in GZI REIT.

Details of the assets and liabilities of Metrogold disposed of and the gain on disposal are as follows:

	2008 <i>HK\$'000</i>
Assets and liabilities disposed of	
Investment properties	730,255
Goodwill	7,402
Other receivables, prepayments and deposits	9,955
Cash and cash equivalents	29,439
Other payables and accrued charges	(29,935)
Taxation payable	(728)
Deferred tax liabilities	<u>(69,587)</u>
Net assets disposed of	<u>676,801</u>
Purchase consideration:	
Cash received	472,201
Fair value of additional units in GZI REIT (see below)	<u>191,320</u>
Total consideration	663,521
Direct costs attributable to the disposal	(8,501)
Less: Net assets disposed of	<u>(676,801)</u>
	(21,781)
Less: Unrealised portion	8,267
Add: Release of exchange reserve	<u>42,066</u>
Gain on disposal of a subsidiary	<u>28,552</u>
Inflow of cash arising from disposal of a subsidiary:	
Cash consideration	472,201
Direct costs attributable to the disposal	(8,501)
Cash and cash equivalents in the subsidiary disposed of	<u>(29,439)</u>
Net cash inflow from disposal of a subsidiary	<u>434,261</u>

Details of the additional share of GZI REIT's net assets acquired and the resulting negative goodwill are as follows:

	2008 <i>HK\$'000</i>
Share of the fair value of GZI REIT's net assets acquired (<i>Note (i)</i>)	232,308
Purchase consideration - Fair value of additional units in GZI REIT received	<u>(191,320)</u>
Excess of the share of the fair value of net assets of an associated entity acquired over acquisition cost (<i>Note (ii)</i>)	<u>40,988</u>

Notes:

(i) The share of the fair value of GZI REIT's net assets acquired represents the share of the net assets value of GZI REIT attributable to the additional units in GZI REIT as at 1 June 2008.

(ii) The amount is recognised in the consolidated income statement.

(b) Disposal of Goldkemp

On 24 December 2008, the Group disposed of the entire equity interest in Goldkemp Investment Limited ("Goldkemp"), a subsidiary of the Group, to Yue Xiu Enterprises (Holdings) Limited, a substantial shareholder of the Group, in exchange for cash and equity interests in Techcon Investment Limited ("Techcon"), a company incorporated in Hong Kong.

Goldkemp, through Pacific Max Industrial Limited, is beneficially interested in approximately 52.55% in Guangzhou Paper Co., Ltd. which is principally engaged in newsprint business whilst Techcon owns and operates the South China Hotel in Hong Kong.

Loss for the year from discontinued operations of Goldkemp comprised:

	2008 <i>HK\$'000</i>
Gain on disposal of a subsidiary (<i>Note (i)</i>)	90,379
Loss from discontinued operations (<i>Note (ii)</i>)	<u>(268,563)</u>
	<u>(178,184)</u>

- (i) Details of the assets and liabilities of Goldkemp disposed of and the gain on disposal are as follows:

	2008 <i>HK\$'000</i>
Assets and liabilities disposed of:	
Property, plant and equipment	4,607,709
Leasehold land and land use rights	53,436
Deferred tax assets	31,815
Inventories	555,374
Trade and other receivables	507,224
Cash and cash equivalents	1,140,337
Trade and other payables	(724,085)
Borrowings	(4,807,999)
Minority interests	<u>(674,199)</u>
Net assets disposed of	<u>689,612</u>
Purchase consideration:	
Cash received	250,000
Fair value of net identifiable assets acquired (<i>Note (c)</i>)	<u>385,049</u>
Total consideration	635,049
Direct costs attributable to the disposal	(1,879)
Less: Net assets disposed of	(689,612)
Add: Release of exchange reserve	<u>146,821</u>
Gain on disposal of a subsidiary	<u>90,379</u>

- (ii) Analysis of the result of discontinued operations and the result recognised on the remeasurement of assets of disposal group, are as follows:

	2008 <i>HK\$'000</i>
Revenue	2,852,711
Expenses	<u>(3,156,325)</u>
Loss before tax of discontinued operations	(303,614)
Taxation	<u>35,051</u>
Loss from discontinued operations	<u><u>(268,563)</u></u>
Operating cash flows	59,057
Investing cash flows	(60,752)
Financing cash flows	<u>1,316,076</u>
	<u><u>1,314,381</u></u>

(c) Acquisition of Techcon

(i) Details of assets and liabilities arising from the acquisition of Techcon are as follows:

	2008	Acquiree's
	Fair value	carrying
	<i>HK\$'000</i>	amount
		<i>HK\$'000</i>
Property, plant and equipment	81,700	75,842
Leasehold land	318,300	191,264
Inventories	127	127
Other receivables, prepayments and deposits	3,652	3,652
Cash and cash equivalents	5,011	5,011
Trade payables	(1,813)	(1,813)
Deferred tax liabilities	<u>(21,928)</u>	<u>—</u>
Net identifiable assets acquired	<u>385,049</u>	<u>274,083</u>

(ii) Outflow of cash arising from disposal of Goldkemp and acquisition of Techcon:

	2008
	<i>HK\$'000</i>
Cash consideration	250,000
Direct costs attributable to the disposal	(1,879)
Cash and cash equivalents in the subsidiary disposed of	(1,140,337)
Cash and cash equivalents in the subsidiary acquired	<u>5,011</u>
Net cash outflow	<u>(887,205)</u>

Techcon contributed revenue of approximately HK\$1,101,000 and loss attributable to equity holders of the Company of approximately HK\$289,000 for the period from the date of acquisition to 31 December 2008. If the acquisition had occurred on 1 January 2008, the revenue contributed by Techcon to the Group would have been approximately HK\$23,237,000 and profit attributable to equity holders of the Company would have been approximately HK\$8,171,000.

(d) Acquisition of Cangyu Expressway Co., Limited

On 10 December 2008, the Group entered into an equity transfer agreement with independent third parties in connection with the acquisition of 90% equity interest in Cangyu Expressway Co., Ltd. whose principal asset is the toll operating right of Cangyu Expressway. In accordance with the aforesaid agreement, the consideration for the acquisition and the additional registered capital contribution amounted to RMB173 million (equivalent to HK\$194.6 million). The acquisition was completed on 19 January 2009.

Details of the net assets acquired and goodwill are as follows:

	2009 <i>HK\$'000</i>
Purchase consideration:	
Cash paid	194,610
Direct costs relating to the acquisition	<u>1,587</u>
Total purchase consideration	196,197
Fair value of net identifiable assets acquired (see below)	<u>(153,720)</u>
Goodwill (<i>Note 24</i>)	<u><u>42,477</u></u>

The goodwill is attributable to the recognition of deferred tax liabilities on fair value gain from the acquisition of 90% equity interest in Cangyu Expressway Co., Ltd

The assets and liabilities arising from the acquisition are as follows:

	2009	Acquiree's
	Fair value	carrying
	<i>HK\$'000</i>	amount
		<i>HK\$'000</i>
Intangible operating rights	648,260	494,884
Property, plant and equipment	32,777	32,777
Trade receivables	910	910
Other receivables, prepayments and deposits	26,070	26,070
Cash and cash equivalents	956	956
Trade and other payables and accrued charges	(50,179)	(50,179)
Amounts due to minority shareholders	(18,082)	(18,082)
Borrowings	(431,568)	(431,568)
Deferred income tax liabilities	<u>(38,344)</u>	<u>—</u>
Net identifiable assets acquired	<u>170,800</u>	<u>55,768</u>
Net identifiable assets attributable to the 90% equity interests acquired by the Group	<u>153,720</u>	<u>50,191</u>
Cash outflow to acquire business, net of cash acquired:		
Purchase consideration		196,197
Cash and cash equivalents in the subsidiary acquired		<u>(956)</u>
Cash outflow on acquisition		<u>195,241</u>

(e) **Disposal of Transport**

On 26 November 2009, the Group disposed of the entire equity interest of 45.28% in Transport, a subsidiary of the Group by way of share distribution and share offer. Pursuant to the share distribution arrangement, the Company declared a special dividend that was effected by way of a distribution in specie of Transport shares to the shareholders with a cash alternative (Note 12). Pursuant to the share offer arrangement, the Company made an offer for sale of all the remaining Transport shares held by it to the shareholders in proportion to their shareholdings. Yue Xiu Enterprises (Holdings) Limited (“YXE”), a substantial shareholder of the Company, is the underwriter of the share offer.

(Loss)/profit for the year from discontinued operation of Transport comprised:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss on disposal of a subsidiary (<i>Note (i)</i>)	(1,593,911)	—
Profit from discontinued operation (<i>Note (iii)</i>)	<u>500,291</u>	<u>725,252</u>
	<u>(1,093,620)</u>	<u>725,252</u>

(i) Details of the assets and liabilities of Transport disposed of and the loss on disposal are as follows:

	2009
	<i>HK\$'000</i>
Assets and liabilities disposed of:	
Intangible operating rights	7,184,303
Property, plant and equipment	70,678
Investment properties	8,800
Leasehold land and land use rights	649
Interests in jointly controlled entities	334,148
Interests in associated entities	2,018,258
Goodwill	165,292
Available-for-sale financial assets	147,735
Other non-current assets	194,338
Trade and other receivables	94,725
Cash and cash equivalents	2,545,051
Trade and other payables	(190,076)
Borrowings	(1,419,443)
Taxation payable	(9,317)
Other current liabilities	(94)
Deferred tax liabilities	(866,719)
Minority interests	<u>(6,390,756)</u>
Net assets disposed of	3,887,572
Less: special dividend in specie of Transport shares (<i>Note 12</i>)	<u>(437,980)</u>
Adjusted net assets disposed of	<u><u>3,449,592</u></u>

	2009 <i>HK\$'000</i>
Cash received (<i>Note</i>)	1,853,314
Direct costs attributable to the disposal	(21,234)
Less: Adjusted net assets disposed of	(3,449,592)
Add: Release of reserve	<u>23,601</u>
Loss on disposal of a subsidiary	<u>(1,593,911)</u>

Note: Pursuant to the share offer arrangement and underwriting agreement, 478,026,881 shares of Transport were acquired by YXE at a total consideration of approximately HK\$1,434 million.

(ii) Outflow of cash arising from disposal of a subsidiary:

	2009 <i>HK\$'000</i>
Cash consideration	1,853,314
Direct costs attributable to the disposal	(21,234)
Cash and cash equivalents in the subsidiary disposed of	<u>(2,545,051)</u>
	<u>(712,971)</u>

(iii) Analysis of the result of discontinued operations and the result recognised on the remeasurement of assets of disposal group, are as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Revenue	989,840	1,014,486
Expenses	<u>(404,021)</u>	<u>(201,204)</u>
Profit before tax of discontinued operations	585,819	813,282
Taxation	<u>(85,528)</u>	<u>(88,030)</u>
Profit from discontinued operations	<u>500,291</u>	<u>725,252</u>
Operating cash flows	761,071	696,918
Investing cash flows	27,891	(29,344)
Financing cash flows	<u>(599,278)</u>	<u>(475,827)</u>
	<u>189,684</u>	<u>191,747</u>

21 GAIN ON SALES OF INVESTMENT PROPERTIES

During the year, the Group disposed of certain investment properties with total sales proceeds of approximately HK\$268 million (2008: HK\$541 million) resulting in a total net gain of approximately HK\$45 million (2008: HK\$163 million).

22 INTERESTS IN JOINTLY CONTROLLED ENTITIES

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets	37,227	308,732
Amounts due from jointly controlled entities (<i>Note 44(c)</i>)	186,211	185,285
Less: provision for impairment of amounts due from jointly controlled entities	<u>(36,420)</u>	<u>(35,229)</u>
	<u>187,018</u>	<u>458,788</u>
Amounts due to jointly controlled entities (<i>Note 44(c)</i>)	<u>(148,284)</u>	<u>(154,976)</u>

APPENDIX I**FINANCIAL INFORMATION**

The Group's interests in its jointly controlled entities, all of which are unlisted, are as follows:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	33	49
Expenses	(2,014)	(835)
Taxation	<u>—</u>	<u>—</u>
Loss for the year	<u>(1,981)</u>	<u>(786)</u>
Assets:		
Non-current assets	1,920	1,102,956
Current assets	<u>141,480</u>	<u>180,715</u>
	143,400	1,283,671
	-----	-----
Liabilities:		
Non-current liabilities	(54,734)	(776,405)
Current liabilities	<u>(51,439)</u>	<u>(198,534)</u>
	(106,173)	(974,939)
	-----	-----
Net assets	<u>37,227</u>	<u>308,732</u>

23 INTERESTS IN ASSOCIATED ENTITIES

Group

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets	1,592,890	3,646,580
Loans receivable from associated entities (<i>Note 44(c)</i>)	—	1,973
Amounts due from associated entities (<i>Note 44(c)</i>)	<u>68,839</u>	<u>68,839</u>
	<u>1,661,729</u>	<u>3,717,392</u>
Amounts due to associated entities (<i>Note 44(c)</i>)	<u>(134,978)</u>	<u>(112,150)</u>

All the interests in associated entities held by the Group are unlisted except for an investment in an associated entity with a carrying value of approximately HK\$1,455 million (2008: HK\$1,439 million) which is listed on The Stock Exchange of Hong Kong Limited. The fair value of the interests in this associated entity amounted to approximately HK\$1,115 million as at 31 December 2009 (2008: HK\$679 million).

The Group's interests in its associated entities are as follows:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	<u>217,318</u>	<u>181,442</u>
Profit after tax	<u>123,245</u>	<u>89,068</u>
Assets	2,606,549	6,336,628
Liabilities	<u>(1,013,659)</u>	<u>(2,690,048)</u>
Net assets	<u>1,592,890</u>	<u>3,646,580</u>

The Group's associated entities did not have any significant capital commitments at 31 December 2009 (2008: Nil).

24 GOODWILL

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Beginning of the year	125,994	119,186
Acquisition of a subsidiary (<i>Note 20(d)</i>)	42,477	—
Exchange differences	(26)	7,348
Impairment losses	(3,153)	(540)
Disposal of a subsidiary (<i>Note 20(e)</i>)	<u>(165,292)</u>	<u>—</u>
End of the year	<u>—</u>	<u>125,994</u>

As at 31 December 2008, goodwill was mainly attributable to the recognition of deferred tax liabilities on fair value gain arising from the acquisition of 20 percent additional interest in Guangzhou Northern Second Ring Expressway Co., Ltd., a subsidiary of the Group.

25 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Beginning of the year	976,977	979,903
Additions	1,591	52,658
Increase/(decrease) in fair value	396,926	(116,068)
Disposal of a subsidiary (<i>Note 20(e)</i>)	(147,735)	—
Exchange differences	<u>1,636</u>	<u>60,484</u>
End of the year	<u>1,229,395</u>	<u>976,977</u>

Available-for-sale financial assets represent unlisted securities in companies located in China without external credit ratings.

26 PROPERTIES UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

As at 31 December 2009, the Group's properties under development and properties held for sale of approximately HK\$1,611 million (2008: HK\$4,054 million) and HK\$8 million (2008: Nil) respectively were pledged as collateral for the Group's bank borrowings (Note 43).

27 COMMITMENTS UNDER OPERATING LEASES

The Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings (except for the commitments disclosed in Note (i) below) as follows:

Group

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Not later than one year (<i>Note (i)</i>)	3,132,053	458,044
Later than one year and not later than five years	29,276	95,948
Later than five years	<u>56,852</u>	<u>44,491</u>
	<u><u>3,218,181</u></u>	<u><u>598,483</u></u>

Note:

- (i) Included in this amount were commitments totaling approximately HK\$3,016 million as at 31 December 2009 (2008: HK\$429 million) relating to certain land use rights in China ranging from 50 to 75 years for which ownership certificates have not yet been obtained. As at 31 December 2009, total consideration for these land use rights amounted to approximately HK\$4,579 million (2008: HK\$2,313 million) for which the Group has prepaid approximately HK\$1,563 million (2008: HK\$1,884 million).

The Company did not have any significant commitments under operating leases at 31 December 2009 (2008: Nil).

28 INVENTORIES**Group**

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Raw materials	479	293
Work-in-progress	55,248	57,238
Finished goods	<u>47,554</u>	<u>48,185</u>
	<u><u>103,281</u></u>	<u><u>105,716</u></u>

The cost of inventories recognised as expense and included in 'cost of sales' for continuing operations amounted to approximately of HK\$573,349,000 (2008: HK\$530,155,000).

29 TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	135,108	155,891
Less: provision for impairment of trade receivables	<u>(74,858)</u>	<u>(88,981)</u>
	<u>60,250</u>	<u>66,910</u>

The fair values of trade and other receivables approximate their carrying amounts.

The Group has defined credit policies for different businesses. The credit terms of the Group are generally within three months. The ageing analysis of trade receivables is as follows:

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 30 days	27,557	35,385
31 - 90 days	13,589	6,219
91 - 180 days	2,964	539
181 - 365 days	—	15
Over 1 year	<u>90,998</u>	<u>113,733</u>
	<u>135,108</u>	<u>155,891</u>

As at 31 December 2009, trade receivables of approximately HK\$41,146,000 (2008: HK\$41,604,000) were fully performing.

As at 31 December 2009, trade receivables of approximately HK\$19,104,000 (2008: HK\$25,306,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables from the due date is as follows:

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Up to 3 months	2,964	539
Over 3 months	<u>16,140</u>	<u>24,767</u>
	<u>19,104</u>	<u>25,306</u>

As at 31 December 2009, trade receivables of approximately HK\$74,858,000 (2008: HK\$88,981,000) were impaired. The amount of the provision was HK\$74,858,000 as at 31 December 2009 (2008: HK\$88,981,000). The individual impaired receivables mainly relate to customers, which are in unexpected difficult economic situations. The ageing of these receivables from the due date is as follows:

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Over 3 months	<u>74,858</u>	<u>88,981</u>

Movements in the provision for impairment of trade receivables are as follows:

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Beginning of the year	88,981	102,568
Reversal of impairment in continuing operations (<i>Note 6</i>)	(14,147)	—
Exchange differences	24	6,651
Disposal of subsidiaries	<u>—</u>	<u>(20,238)</u>
End of the year	<u>74,858</u>	<u>88,981</u>

The creation and release of provision for impaired receivables have been included in general and administrative expenses in the consolidated income statement.

Except for a provision of impairment of HK\$53,660,000 was provided for other receivables in 2008, other receivables, prepayments and deposits as at 31 December 2009 do not contain impaired assets.

The Group's trade receivables are denominated in Renminbi.

30 CHARGED BANK DEPOSITS

In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts certain amount of pre-sale proceeds of properties as guarantee deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and settlement of construction fees of the relevant property projects. Such guarantee deposits will only be released after completion of related pre-sold properties or issuance of the real estate ownership certificate, whichever is the earlier.

31 CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash at bank	4,827,534	1,598,524	1,067,786	168,443
Short-term bank deposits	<u>87,746</u>	<u>1,898,023</u>	<u>58,562</u>	<u>65,160</u>
	<u>4,915,280</u>	<u>3,496,547</u>	<u>1,126,348</u>	<u>233,603</u>

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong dollar	1,185,529	2,057,686	1,066,515	166,802
Renminbi	3,668,324	1,190,854	83	90
United States dollar	59,374	246,129	58,872	65,327
Others	<u>2,053</u>	<u>1,878</u>	<u>878</u>	<u>1,384</u>
	<u>4,915,280</u>	<u>3,496,547</u>	<u>1,126,348</u>	<u>233,603</u>

The Group's Renminbi balances are placed with banks in China. The conversion of these Renminbi denominated balances into foreign currencies in China is subject to rules and regulations of foreign exchange control promulgated by the Chinese Government.

The effective interest rate on short-term bank deposits was 0.1 percent (2008: 3.13 percent).

The Group's bank deposits are mainly placed with major state-owned financial institutions.

32 TRADE PAYABLES

The fair values of trade payables approximate their carrying amounts.

The ageing analysis of the trade payables is as follows:

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 30 days	60,144	60,083
31 - 90 days	55,380	32,024
91 - 180 days	17,583	—
181 - 365 days	10	19
1 - 2 years	1,471	4,519
Over 2 years	<u>4,092</u>	<u>232</u>
	<u>138,680</u>	<u>96,877</u>

Majority of the Group's trade payables are denominated in Renminbi.

33 OTHER PAYABLES AND ACCRUED CHARGES

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accrual for construction related costs	3,118,837	3,192,698
Accrued employee benefits costs	146,890	174,435
Amounts due to related parties	373,013	361,014
Other payables	<u>861,468</u>	<u>1,157,485</u>
	<u>4,500,208</u>	<u>4,885,632</u>

34 BORROWINGS

	Group		Company	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current				
Long-term bank borrowings				
- Secured	9,141,342	2,653,248	2,160,081	—
- Unsecured	2,960,647	1,379,975	1,700,000	—
Obligations under finance leases	96	45	96	45
Loans from a related company (<i>Note 44(c)</i>)	56,818	56,162	56,818	56,162
Loans from minority shareholders of subsidiaries	—	355,220	—	—
	<u>12,158,903</u>	<u>4,444,650</u>	<u>3,916,995</u>	<u>56,207</u>
Current				
Bank overdrafts	459	406	—	—
Short-term bank borrowings				
- Secured	79,500	158,748	—	—
- Unsecured	692,837	56,696	—	—
Current portion of long-term bank borrowings				
Secured	874,503	3,362,995	—	2,197,500
Unsecured	496,309	2,117,153	374,836	1,924,388
Obligations under finance leases	28	30	28	30
	<u>2,143,636</u>	<u>5,696,028</u>	<u>374,864</u>	<u>4,121,918</u>
Total borrowings	<u>14,302,539</u>	<u>10,140,678</u>	<u>4,291,859</u>	<u>4,178,125</u>

The maturity of borrowings is as follows:

Group

	Bank borrowings and overdrafts		Other loans	
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	2,143,608	5,695,998	28	30
In the second year	2,802,294	1,572,626	25	29
In the third to fifth year	6,471,756	1,338,021	56,889	56,178
Over five years	2,827,939	1,122,576	—	—
With no fixed repayment terms (<i>Note (i)</i>)	—	—	—	<u>355,220</u>
	<u>14,245,597</u>	<u>9,729,221</u>	<u>56,942</u>	<u>411,457</u>

Note:

- (i) As at 31 December 2008, the carrying amounts of the interest free loans from minority shareholders of subsidiaries approximate their fair values which are calculated based on cash flows discounted using a rate of 5.31 percent per annum.

Company

	Bank borrowings and overdrafts		Other loans	
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	374,836	4,121,888	28	30
In the second year	678,501	—	25	29
In the third to fifth year	<u>3,181,580</u>	<u>—</u>	<u>56,889</u>	<u>56,178</u>
	<u>4,234,917</u>	<u>4,121,888</u>	<u>56,942</u>	<u>56,237</u>

The effective interest rates at the balance sheet date were as follows:

	2009		2008	
	HK\$	RMB	HK\$	RMB
Bank overdrafts	3.43%	—	6.66%	—
Bank borrowings	0.95%	6.54%	2.73%	7.08%
Other loans	1.16%	—	5.16%	—

The carrying amounts of the borrowings are denominated in the following currencies:

	Group		Company	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong dollar	4,292,318	4,178,530	4,291,859	4,178,125
Renminbi	10,010,221	5,962,148	—	—
	<u>14,302,539</u>	<u>10,140,678</u>	<u>4,291,859</u>	<u>4,178,125</u>

The fair values of borrowings approximate their carrying amounts.

35 SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.10 each	<u>10,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
At 1 January 2008	7,121,918	712,192
Issue of shares upon exercise of share options (<i>Note 36</i>)	<u>4,930</u>	<u>493</u>
At 31 December 2008	<u>7,126,848</u>	<u>712,685</u>
At 1 January 2009	7,126,848	712,685
Issue of shares upon exercise of share options (<i>Note 36</i>)	<u>9,734</u>	<u>973</u>
At 31 December 2009	<u>7,136,582</u>	<u>713,658</u>

36 SHARE OPTIONS

Movements of share options are as follows:

	Number of share options <i>'000</i>
At 1 January 2008	79,032
Granted during the year	5,800
Exercised during the year	(4,930)
Lapsed during the year	<u>(3,000)</u>
At 31 December 2008	<u>76,902</u>
At 1 January 2009	76,902
Exercised during the year	<u>(9,734)</u>
At 31 December 2009	<u>67,168</u>

Particulars of share options as at 31 December 2009 and 2008 are as follows:

Date of grant	Exercise period	Exercise price <i>HK\$</i>	Number of outstanding share options	
			2009 <i>'000</i>	2008 <i>'000</i>
2 May 2003	2 May 2003 - 1 May 2013	0.4100	10,870	11,870
2 June 2003	2 June 2003 - 1 June 2013	0.5400	7,000	7,000
27 October 2003	27 October 2003 - 26 October 2013	0.8140	1,840	2,620
23 December 2003	23 December 2003 - 22 December 2013	0.8460	9,978	11,440
23 June 2004	23 June 2004 - 22 June 2014	0.6300	36,360	41,172
28 May 2008	28 May 2008 - 27 May 2018	1.5560	<u>1,120</u>	<u>2,800</u>
			<u>67,168</u>	<u>76,902</u>

On 26 June 2002, the Company adopted a share option scheme, under which it may grant options to employees (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 10 percent of the number of shares in issue as at 26 June 2002. The exercise price will be determined by the Company's Board of Directors and shall at

least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five business days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares.

As at 31 December 2009, 66,048,000 (2008: 74,942,000) of the outstanding share options were exercisable.

The fair value of options granted was determined using the Black-Scholes valuation model by an independent valuer, Greater China Appraisal Limited. The significant inputs into the model were share price at the grant date, exercise price, standard deviation of expected share price returns, expected life of options, expected dividend payout rate and annual risk-free rate. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over a period of one year before the date when the options were granted.

37 RESERVES

(a) Group

	Share premium	Capital redemption reserve	Statutory reserves	Exchange fluctuation reserve	Asset revaluation reserve	Available-for-sale financial assets fair value reserve	Employee share-based compensation reserve	Retained profits	Total
	HK\$'000	HK\$'000	(Note a) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2009	6,533,828	1,815	223,527	1,485,591	539,599	514,927	11,376	4,455,770	13,766,433
Currency translation differences	—	—	—	(1,163)	—	3,517	—	—	2,354
Change in fair value of financial assets									
- gross	—	—	—	—	—	377,079	—	—	377,079
- tax	—	—	—	—	—	(94,270)	—	—	(94,270)
- effect of withholding tax	—	—	—	—	—	(33,254)	—	—	(33,254)
Loss attributable to shareholders	—	—	—	—	—	—	—	(697,414)	(697,414)
Disposal of subsidiaries	—	—	(17,762)	—	(536,402)	(23,601)	—	554,164	(23,601)
Transfer	—	—	9,889	—	(3,197)	—	—	(6,692)	—
Employee share options scheme									
- value of employee services	—	—	—	—	—	—	367	—	367
Issue of shares net of issuing expenses	6,949	—	—	—	—	—	—	—	6,949
Transfer upon exercise of share options	2,113	—	—	—	—	—	(2,113)	—	—
Dividends paid	—	—	—	—	—	—	—	(717,421)	(717,421)
At 31 December 2009	<u>6,542,890</u>	<u>1,815</u>	<u>215,654</u>	<u>1,484,428</u>	<u>—</u>	<u>744,398</u>	<u>9,630</u>	<u>3,588,407</u>	<u>12,587,222</u>

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	Share premium	Capital redemption reserve	Statutory reserves (Note a)	Exchange fluctuation reserve	Cash-flow hedging reserve	Asset revaluation reserve	Available-for-sale financial assets fair value reserve	Employee share-based compensation reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2008	6,530,583	1,815	208,693	1,006,290	(26,266)	540,465	580,160	11,368	4,224,455	13,077,563
Currency translation differences	—	—	—	668,188	—	—	30,051	—	—	698,239
Share of change in fair value of cash-flow hedges of an associated entity	—	—	—	—	26,266	—	—	—	—	26,266
Change in fair value of financial assets										
- gross	—	—	—	—	—	—	(122,560)	—	—	(122,560)
- tax	—	—	—	—	—	—	27,276	—	—	27,276
Profit attributable to shareholders	—	—	—	—	—	—	—	—	607,964	607,964
Disposal of subsidiaries	—	—	(54,716)	(188,887)	—	—	—	—	54,716	(188,887)
Transfer	—	—	69,550	—	—	(866)	—	—	(68,684)	—
Employee share options scheme										
- value of employee services	—	—	—	—	—	—	—	1,509	—	1,509
Issue of shares net of issuing expenses	2,524	—	—	—	—	—	—	—	—	2,524
Transfer upon exercise of share options	721	—	—	—	—	—	—	(721)	—	—
Transfer upon lapse of share options	—	—	—	—	—	—	—	(780)	780	—
Dividends paid	—	—	—	—	—	—	—	—	(363,461)	(363,461)
At 31 December 2008	<u>6,533,828</u>	<u>1,815</u>	<u>223,527</u>	<u>1,485,591</u>	<u>—</u>	<u>539,599</u>	<u>514,927</u>	<u>11,376</u>	<u>4,455,770</u>	<u>13,766,433</u>
Representing:										
2008 Final dividend proposed									57,015	
Others									<u>4,398,755</u>	
									<u>4,455,770</u>	

Note a Statutory reserves represent enterprise expansion and general reserve funds set up by the subsidiaries, jointly controlled entities and associated entities in China. As stipulated by regulations in China, the Company's subsidiaries, jointly controlled entities and associated entities established and operated in China are required to appropriate a portion of their after-tax profits (after offsetting prior year losses) to the enterprise expansion and general reserve funds, at rates determined by their respective boards of directors. According to the Regulations for the Implementation of the Law of The People's Republic of China on Joint Ventures Using Chinese and Foreign Investment, upon approval, the general reserve funds may be used for making up losses and increasing capital while the enterprise expansion funds may be used for increasing capital only.

(b) Company

	Share premium <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Exchange fluctuation reserve <i>HK\$'000</i>	Employee share-based compensation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2009	6,533,828	1,815	615,835	11,376	2,557,728	9,720,582
Currency translation differences	—	—	16,487	—	—	16,487
Issue of shares net of issuing expenses	6,949	—	—	—	—	6,949
Employee share options scheme						
- value of employee services	—	—	—	367	—	367
Transfer upon exercise of share options	2,113	—	—	(2,113)	—	—
Profit for the year	—	—	—	—	582,110	582,110
Dividends paid	—	—	—	—	(717,421)	(717,421)
At 31 December 2009	<u>6,542,890</u>	<u>1,815</u>	<u>632,322</u>	<u>9,630</u>	<u>2,422,417</u>	<u>9,609,074</u>

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	Share premium	Capital redemption reserve	Exchange fluctuation reserve	Employee share-based compensation reserve	Retained profits	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2008	6,530,583	1,815	—	11,368	2,716,882	9,260,648
Currency translation differences	—	—	615,835	—	—	615,835
Issue of shares net of issuing expenses	2,524	—	—	—	—	2,524
Employee share options scheme						
- value of employee services	—	—	—	1,509	—	1,509
Transfer upon exercise of share options	721	—	—	(721)	—	—
Transfer upon lapse of share options	—	—	—	(780)	780	—
Profit for the year	—	—	—	—	203,527	203,527
Dividends paid	—	—	—	—	(363,461)	(363,461)
	<u>6,533,828</u>	<u>1,815</u>	<u>615,835</u>	<u>11,376</u>	<u>2,557,728</u>	<u>9,720,582</u>
Representing:						
2008 Final dividends proposed					57,015	
Others					<u>2,500,713</u>	
					<u>2,557,728</u>	

38 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable income tax rate.

The movements in the deferred tax liabilities/(assets) account are as follows:

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Beginning of the year	3,030,284	3,240,296
Deferred taxation charged/(credited) to consolidated income statement		
— continuing operations (<i>Note 9(d)</i>)	217,608	(429,700)
— discontinued operations	10,669	9,266
Acquisition of a subsidiary (<i>Note 20(c),(d)</i>)	38,344	21,928
Disposal of a subsidiary (<i>Note 20(b),(e)</i>)	(866,719)	31,815
Deferred taxation charged/(credited) to equity	132,486	(21,589)
Exchange differences	<u>2,564</u>	<u>178,268</u>
End of the year	<u>2,565,236</u>	<u>3,030,284</u>

The movements in deferred tax assets (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

	Group				
	Different bases in reporting expenses with tax authorities HK\$'000	Provision for impairment of properties HK\$'000	Tax losses HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2008	322,833	9,769	21,871	2,703	357,176
Exchange differences	15,064	523	1,229	3,552	20,368
(Charged)/credited to income statement					
— continuing operations	(19,473)	(2,339)	7,555	6,247	(8,010)
— discontinued operations	31,815	(127)	—	—	31,688
Disposal of a subsidiary	<u>(31,815)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(31,815)</u>
At 31 December 2008	<u>318,424</u>	<u>7,826</u>	<u>30,655</u>	<u>12,502</u>	<u>369,407</u>
At 1 January 2009	318,424	7,826	30,655	12,502	369,407
Exchange differences	2,822	12	38	10	2,882
Credited/(charged) to income statement					
— continuing operations	<u>48,086</u>	<u>(899)</u>	<u>(1,449)</u>	<u>(12,512)</u>	<u>33,226</u>
At 31 December 2009	<u>369,332</u>	<u>6,939</u>	<u>29,244</u>	<u>—</u>	<u>405,515</u>

The movements in deferred tax liabilities (prior to offsetting of balances within the same jurisdiction), during the year are as follows:

	Group							
	Revaluation of properties	Accelerated depreciation	Fair value gain on interest in a toll highway arising from acquisition of a subsidiary	Revaluation of investments	Different bases in reporting revenue with tax authorities	Others	Undistributed profits of subsidiaries, jointly controlled entities and associated entities	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2008	2,077,974	157,989	586,524	199,795	565,861	9,329	—	3,597,472
Exchange differences	121,583	6,029	36,031	10,960	22,343	1,690	—	198,636
(Credited)/charged to income statement								
— continuing operations	(141,728)	23,123	—	—	(317,111)	(1,994)	—	(437,710)
— discontinued operations	—	26,333	(12,295)	—	(2,984)	—	29,900	40,954
Credited to reserves	—	—	—	(21,589)	—	—	—	(21,589)
Acquisition of a subsidiary	—	21,928	—	—	—	—	—	21,928
At 31 December 2008	<u>2,057,829</u>	<u>235,402</u>	<u>610,260</u>	<u>189,166</u>	<u>268,109</u>	<u>9,025</u>	<u>29,900</u>	<u>3,399,691</u>
At 1 January 2009	2,057,829	235,402	610,260	189,166	268,109	9,025	29,900	3,399,691
Exchange differences	3,105	695	—	779	692	27	148	5,446
(Credited)/charged to income statement								
— continuing operations	(190,270)	—	—	2,307	279,291	6,829	152,677	250,834
— discontinued operations	—	(7,351)	(9,690)	—	—	—	27,710	10,669
Disposal of a subsidiary	—	(156,166)	(638,914)	(14,031)	—	—	(57,608)	(866,719)
Charged to reserves	—	—	—	99,232	—	—	33,254	132,486
Acquisition of a subsidiary	—	—	38,344	—	—	—	—	38,344
At 31 December 2009	<u>1,870,664</u>	<u>72,580</u>	<u>—</u>	<u>277,453</u>	<u>548,092</u>	<u>15,881</u>	<u>186,081</u>	<u>2,970,751</u>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown on the consolidated balance sheet:

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Deferred tax assets		
— Hong Kong profits tax	10,645	12,278
— China enterprise income tax	<u>72,451</u>	<u>78,314</u>
	<u>83,096</u>	<u>90,592</u>
Deferred tax liabilities		
— Hong Kong profits tax	45,697	43,694
— China enterprise income tax	2,042,812	2,345,361
— China land appreciation tax	<u>559,823</u>	<u>731,821</u>
	<u>2,648,332</u>	<u>3,120,876</u>

Deferred income tax assets are recognised for tax losses carried forward and revaluation of properties to the extent that realisation of the related tax benefits through future taxation profits is probable. As at 31 December 2009, the Group had unrecognised deferred tax benefits of approximately HK\$436 million (2008: HK\$333 million) in respect of tax losses of approximately HK\$2,640 million (2008: HK\$2,020 million) and unrecognised deferred tax benefits of approximately HK\$41 million (2008: HK\$41 million) in respect of provision for impairment of properties of approximately HK\$251 million (2008: HK\$251 million) for Hong Kong profits tax purposes with no expiry date.

39 NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of operating profit to net cash used in operation:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating profit	1,395,193	323,935
Depreciation and amortisation	172,622	153,453
Loss/(gain) on disposal of property, plant and equipment	610	(93)
Gain on sales of investment properties	(44,580)	(162,588)
Fair value (gains)/losses on revaluation of investment properties	(312,812)	271,050
Provision for impairment of properties under development and properties held for sale	—	3,037
Provision for impairment of property, plant and equipment	4,730	1,113
(Reversal of)/provision for impairment of leasehold land	(39,199)	53,333
Net increase in properties under development, properties held for sale, leasehold land and land use rights	(4,001,903)	(4,426,838)
Gain on disposal of a subsidiary	—	(28,552)
Provision for other receivables	—	41,920
Write-off of bad debts	1,297	—
Reversal of provision for trade receivables	(14,147)	—
Employee share option scheme	367	1,509
Decrease/(increase) in inventories	2,435	(426,913)
Net increase in trade receivables, other receivables, prepayments and deposits	(177,058)	(4,512)
Net increase in trade payables, other payables and accrued charges	2,307,036	2,165,131
Net movement in balances with related companies	(20,860)	18,510
(Decrease)/increase in amounts due to minority shareholders of subsidiaries	<u>(473,922)</u>	<u>451,832</u>
Net cash used in continuing operation	(1,200,191)	(1,564,673)
Net cash generated from discontinued operation	<u>761,071</u>	<u>755,975</u>
Net cash used in operation	<u><u>(439,120)</u></u>	<u><u>(808,698)</u></u>

40 FUTURE MINIMUM RENTAL PAYMENTS RECEIVABLE

At 31 December 2009, the Group and the Company had future minimum rental payments receivable under certain non-cancellable leases as follows:

	Group		Company	
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Not later than one year	237,847	221,429	95	685
Later than one year and not later than five years	447,998	390,049	37	7
Later than five years	<u>92,800</u>	<u>61,620</u>	<u>—</u>	<u>—</u>
	<u>778,645</u>	<u>673,098</u>	<u>132</u>	<u>692</u>

In 2006, the Group entered into a fifteen years' lease agreement with a third party, whereby a property is leased to the third party who acts as the head tenant and operates a shopping mall in the property. In return, the Group is entitled to share a portion of the sub-lease rental income to be received by the third party during the lease period which has been included in the above analysis.

41 OTHER COMMITMENTS

	Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital commitments in respect of property, plant and equipment and investment properties:		
Contracted but not provided for	1,849,699	226,809
Authorised but not contracted for	<u>1,764,549</u>	<u>401,049</u>
	<u>3,614,248</u>	<u>627,858</u>

At 31 December 2009, the Group had no financial commitments in respect of equity capital to be injected into any jointly controlled entity or associated entity (2008: HK\$238,632,000).

The Company did not have any significant capital commitments at 31 December 2009 (2008: Nil).

42 CONTINGENT LIABILITIES

	Group		Company	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Guarantees for mortgage facilities granted to certain property purchasers of the Group's properties (Note (a))	1,175,545	883,068	—	—
Guarantees for banking and loan facilities granted to subsidiaries (Note (b))	—	—	41,365	40,152
	<u>1,175,545</u>	<u>883,068</u>	<u>41,365</u>	<u>40,152</u>

Note:

- (a) The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.
- (b) The Company provided guarantees in respect of certain banking and loan facilities granted to subsidiaries.
- (c) In connection with the disposal of a subsidiary to GZI REIT in 2008, the Group entered into a Deed of Indemnity to indemnify GZI REIT against certain liabilities for land premium and deferred taxation with an estimated total amount of approximately HK\$74 million (2008: HK\$74 million). The Deed of Indemnity will expire on 30 May 2014.

43 SECURITIES FOR BANKING FACILITIES

At 31 December 2009, certain banking facilities and loans granted to the Group and the Company were secured by:

- (a) mortgages of certain of the Group's properties under development, properties held for sale, investment properties, property, plant and equipment with aggregate carrying values of approximately HK\$1,611 million (2008: HK\$4,054 million), HK\$8 million (2008: Nil), HK\$5,165 million (2008: HK\$2,979 million) and HK\$879 million (2008: HK\$95 million) respectively;
- (b) mortgages of certain of the Group's leasehold land and land use rights with an aggregate carrying value of approximately HK\$5,151 million (2008: HK\$2,185 million); and
- (c) assignment of shareholder's loans between certain companies in the consolidated group with an aggregate amount of approximately HK\$3,162 million (2008: HK\$3,529 million).

44 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

Related parties are those parties which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The table below summarises the names of significant related parties, with whom the Group has significant transactions during the year, and their relationship with the Company as at 31 December 2009:

Significant related parties	Relationship with the Company
Yue Xiu Enterprises (Holdings) Limited ("YXE")	A substantial shareholder
Yue Xiu Finance Company Limited ("YXF")	A subsidiary of YXE
Yue Xiu International Development Limited ("YXIDL")	A subsidiary of YXE
Yue Xiu Cold Storage and Warehousing Limited ("YXCSSL")	A subsidiary of YXE
Yue Xiu (SEC) Company Limited ("YXSEC")	A subsidiary of YXE
Hi-Watt Battery Industry Company Limited ("HWB")	A subsidiary of YXE
Guangdong Humen Bridge Co., Ltd. ("GHB")	An associated entity disposed of during 2009
Guangdong Shantou Bay Bridge Co., Ltd. ("GSB")	An associated entity disposed of during 2009
GZI Real Estate Investment Trust ("GZI REIT")	An associated entity

(b) Transactions with related parties

Save as disclosed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
(I) Transactions with YXE		
(i) Rental expenses and property management fees paid to YXE	(1,628)	(2,213)
(ii) Rental income received from YXE	—	24
(iii) Service fees paid to YXE	(600)	(600)
(II) Transactions with YXF		
(i) Service fees paid to YXF	(362)	(362)
(ii) Rental income received from YXF	48	80
(III) Transaction with YXIDL		
(i) Loan interest paid to YXIDL	(656)	(1,763)
(ii) Advertising expenses paid to YXIDL	(200)	—
(IV) Transactions with GZI REIT		
(i) Asset management fees received from GZI REIT	32,200	32,158
(ii) Tenancy service fees received from GZI REIT	18,110	16,944
(iii) Rental expenses paid to GZI REIT	(3,858)	(3,129)
(V) Transaction with GHB		
Loan interest received from GHB	17	5,829
(VI) Transaction with GSB		
Loan interest received from GSB	—	133
(VII) Transaction with YXCSSL		
Rental income received from YXCSSL	3,048	3,048
(VIII) Transaction with YXSEC		
Rental income received from YXSEC	—	28
(IX) Transaction with HWB		
Rental income received from HWB	<u>1,405</u>	<u>7,332</u>

(c) Balances with related parties

	Group	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Amount due to a substantial shareholder (<i>Note (i) and (v)</i>)	(83,544)	(81,569)
Loan receivables from associated entities (<i>Note (iv), (vi) and (ix)</i>)	—	1,973
Amounts due from associated entities (<i>Note (ii), (vii) and (ix)</i>)	86,502	89,245
Amounts due to associated entities (<i>Note (ii) and (v)</i>)	(134,978)	(112,150)
Amounts due from jointly controlled entities (<i>Note (ii), (vi) and (ix)</i>)	186,211	185,285
Amounts due to jointly controlled entities (<i>Note (ii) and (v)</i>)	(148,284)	(154,976)
Loan from a related company (<i>Note (iii) and (viii)</i>)	(56,818)	(56,162)
Amounts due from related companies (<i>Note (ii), (v) and (ix)</i>)	—	2,915
Amounts due to related companies (<i>Note (ii) and (v)</i>)	<u>(6,207)</u>	<u>(12,319)</u>

	Company	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Amount due to a substantial shareholder (<i>Note (i) and (v)</i>)	(82,572)	(80,318)
Loan from a related company (<i>Note (iii) and (viii)</i>)	<u>(56,818)</u>	<u>(56,162)</u>

Except for the amount due to a substantial shareholder, amounts due from associated entities and loans from a related company which are denominated in Hong Kong dollar, all others related party balances are denominated in Renminbi.

Note:

- (i) The balance at 31 December 2009 and 2008 is unsecured, interest free and repayable on demand.
- (ii) All balances are unsecured, interest free and have no fixed repayment terms.
- (iii) The loan balance at 31 December 2009 and 2008 is unsecured, interest bearing at Hong Kong Interbank Offered Rate plus 1 percent per annum. The balance in 31 December 2008 is repayable within one year and the balance in 31 December 2009 is not repayable within the next twelve months.
- (iv) As at 31 December 2008, the loan receivables are unsecured, have no fixed repayment terms and bear interest at the prevailing US dollar prime rate of 3.25 percent per annum or the lending rates of financial institutions in mainland China of 5.31 percent per annum.
- (v) These balances are included in other receivables, prepayments and deposits or other payables and accrued charges, as appropriate.

- (vi) These balances are included in interests in jointly controlled entities or interests in associated entities, as appropriate.
- (vii) The balance is included in interests in associated entities except for an amount of approximately HK\$17,663,000 as at 31 December 2009 (2008: HK\$20,406,000) which is included in other receivables, prepayments and deposits.
- (viii) The balance is included in long-term borrowings.
- (ix) These balances were not in default or impaired as at 31 December 2009 and 2008, except for a provision for impairment losses of approximately HK\$36,420,000 (2008: HK\$35,229,000) made for an amount due from a jointly controlled entity as at 31 December 2009 and 2008 respectively.

(d) **Key management compensation**

The aggregate amounts of emoluments paid or payable to key management of the Group are as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Fees	540	770
Other emoluments:		
Basis salaries, housing allowances, other allowances and benefits in kind	36,989	34,988
Pension costs	<u>1,394</u>	<u>1,435</u>
	<u><u>38,923</u></u>	<u><u>37,193</u></u>

4. INDEBTEDNESS STATEMENT

At the close of business on 31 July 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately RMB14,461 million, which consists of (1) secured bank borrowings of approximately RMB9,985 million, (2) unsecured bank borrowings of approximately RMB4,426 million, and (3) unsecured loan from a related party of approximately RMB50 million.

The secured bank borrowings of the Group are secured by (1) certain of the Group's properties under development, investment properties, property, plant and equipment, and leasehold land and land use rights, and (2) assignment of shareholder's loan between certain companies in the consolidated Group.

Contingent Liabilities

As at 31 July 2010, the Group had the following material contingent liabilities:

- (1) The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties amounting to approximately RMB1,782 million, in aggregate. Pursuant to the terms of the guarantees, in the event that those purchasers default on the mortgage payments, the Group will be responsible for repaying to the banks the outstanding principal of the mortgages together with accrued interests and penalty owed by the defaulting purchasers and the Group will be entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.
- (2) In connection with the disposal of a subsidiary to GZI Real Estate Investment Trust ("GZI REIT"), an associated entity of the Group, the Group entered into a deed of indemnity in 2008 for the purpose of indemnifying GZI REIT against certain liabilities for land premium, mortgage guarantees and deferred taxation with an estimated total amount of approximately RMB65 million. The deed of indemnity will expire on 30 May 2014.

Save as aforesaid, and apart from intra-group liabilities, at the close of business on 31 July 2010, the Group did not have any other debt securities, any outstanding loan capital, any borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

The Directors confirm that there has been no material change to the indebtedness and contingent liabilities of the Group since 31 July 2010 and up to the Latest Practicable Date.

5. WORKING CAPITAL

After taking into account the expected completion of the Open Offer and the financial resources available to the Group (including internally generated funds and the present available banking facilities relevant to the assessment of the sufficiency of working capital of the Group), the Directors are of the opinion that the Group has sufficient working capital for its present requirements (that is for at least the next 12 months from the date of this circular).

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Open Offer on the consolidated net tangible assets of the Group as if the Open Offer had been completed on 30 June 2010.

This unaudited pro forma financial information has been prepared based on the following scenarios:

- (a) none of the Outstanding Options is exercised on or before the Record Date; and
- (b) all Outstanding Options are exercised on or before the Record Date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Open Offer been completed as at 30 June 2010 or at any future date.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2010 and adjusted to reflect the effect of the Open Offer:

(I) *Assuming none of the Outstanding Options is exercised*

	Unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2010 RMB'000 Note 1	Estimated net proceeds from Open Offer RMB'000 Note 2	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders RMB'000	Unaudited pro forma adjusted consolidated net tangible assets per Share RMB Note 3
Based on 2,141,422,774 Offer Shares at Subscription Price of HK\$1.61 per Offer Share	<u>12,430,562</u>	<u>2,996,860</u>	<u>15,427,422</u>	<u>1.663</u>

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

(II) *Assuming all of the Outstanding Options are exercised*

	Unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2010 RMB'000 Note 1	Estimated net proceeds from Open Offer RMB'000 Note 4	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders RMB'000	Unaudited pro forma adjusted consolidated net tangible assets per Share RMB Note 5
Based on 2,159,024,974 Offer Shares at subscription price of HK\$1.61 per Offer Share	<u>12,430,562</u>	<u>3,021,584</u>	<u>15,452,146</u>	<u>1.662</u>

Notes:

1. The consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2010 is extracted from the unaudited condensed consolidated interim financial information of the Company for the six months ended 30 June 2010, which is based on the unaudited consolidated net assets of the Group attributable to the Shareholders as at 30 June 2010 of approximately RMB12,431 million. The consolidated net tangible assets per Share as at 30 June 2010 was RMB1.74.
2. The estimated net proceeds from the Open Offer are based on 2,141,422,774 Offer Shares to be issued at the Subscription Price of HK\$1.61 per Offer Share, after deduction of the related expenses of approximately RMB11 million and take no account of any additional Shares to be issued upon the exercise of any Outstanding Options.
3. The unaudited pro forma consolidated net tangible assets per Share is calculated based on the unaudited pro forma consolidated net tangible assets attributable to the Shareholders of approximately RMB15,427 million and 9,279,098,688 Shares in issue (on the basis that there were 7,137,675,914 Shares in issue as at 30 June 2010 and assuming that none of the Outstanding Options were exercised and 2,141,422,774 Offer Shares were issued under the Open Offer) as if the Open Offer has been completed on 30 June 2010.
4. The estimated net proceeds from the Open Offer are based on 2,159,024,974 Offer Shares to be issued at the Subscription Price of HK\$1.61 per Offer Share, after deduction of the related expenses of approximately RMB11 million assuming that all Outstanding Options are exercised in deriving the number of Offer Shares to be issued.
5. The unaudited pro forma consolidated net tangible assets per Share is calculated based on the unaudited pro forma consolidated net tangible assets attributable to the Shareholders of approximately RMB15,452 million and 9,296,700,888 Shares in issue (on the basis that there were 7,137,675,914 Shares in issue as at 30 June 2010 and assuming that all Outstanding Options are exercised in deriving the number of Offer Shares to be issued, and 2,159,024,974 Offer Shares were issued under the Open Offer) as if the Open Offer has been completed on 30 June 2010.
6. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2010 including the net proceeds from the exercise of share options of the Company outstanding as at 30 June 2010.
7. HK\$ has been translated into RMB at an exchange rate of HK\$1 = RMB0.8724 for illustrative purpose.

**2. REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

**ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION
TO THE DIRECTORS OF YUEXIU PROPERTY COMPANY LIMITED**

We report on the unaudited pro forma financial information set out on pages II-1 to II-2 under the heading of “Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group” (the “Unaudited Pro Forma Financial Information”) in Appendix II of the circular dated 24 September 2010 (the “Circular”) of Yuexiu Property Company Limited (the “Company”), in connection with the proposed open offer (the “Transaction”) by the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Transaction might have affected the relevant financial information of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages II-1 to II-2 of the Circular.

Respective Responsibilities of Directors of the Company and the Reporting Accountant

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Circulars” issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unaudited consolidated net assets of the Group attributable to the Company’s equity holders as at 30 June 2010 as set out in the “Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group” section of this Circular with the unaudited condensed consolidated balance sheet of the Group as at 30 June 2010 as set out in the Company’s condensed consolidated interim financial information for the six months ended 30 June 2010 included in the interim report of the Company for the six months ended 30 June 2010, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the adjusted net tangible assets of the Group as at 30 June 2010 or any future date.

Opinion

In our opinion:

- a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers*Certified Public Accountants*

Hong Kong, 24 September 2010



GREATER CHINA APPRAISAL
A Member of GCA Professional Services Group

Room 2703
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

24 September 2010

The Directors
Yuexiu Property Company Limited
26/F Yue Xiu Building
160-174 Lockhart Road
Wanchai
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests of Yuexiu Property Company Limited (“the Company”) and its subsidiaries (together referred to as “the Group”) and its associated companies over which it exercises a direct or indirect interest of 30% or more of the voting rights in the People’s Republic of China (the “PRC”), Hong Kong, Macau and Singapore, we confirm that we have carried out inspections, made relevant enquires and obtained such further information as we consider necessary for the purpose of providing our opinion of the capital values of such property interests as at 31 July 2010 (referred to as the “date of valuation”).

It is our understanding that this valuation is for purpose of proposed open offer.

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of properties and the limiting conditions.

BASIS OF VALUATION

The valuation of such property interests is our opinion of the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

VALUATION METHODOLOGY

Unless stated as otherwise, all property interests are valued by the comparison method where comparison based on prices realized or market prices of comparable properties is made. Comparable properties of similar size, character and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

Similar approach is applied to valuation of land for development where land comparables were analysed and adjusted for application in the valuation. However, the residual method of valuation was used as a counter-check of the results derived from direct comparison method. In principle, the residual method is to estimate the present capital value of the future development and to deduct therefrom the cost of all the works and other expenses necessary to put the property into the state to command such value and an allowance for developer's risks. In undertaking valuation of for future development, we have considered their development or redevelopment potential.

In arriving at our valuations for those properties under development, we have taken into account the development costs already expended on the appraised properties. The capital value when completed represents our estimate of the open market value of the completed development as at the date of valuation.

Where the property is rent to the parties outside the Group, our valuation is made principally by the income capitalization method where the amount of rent payable on the date of valuation was capitalized for the residue period of the lease. Full market rent was applied for capitalization after the current lease expired. Comparison method is adopted to obtain the full market rental value.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property interests on the open market in their existing states without the benefit of any deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to increase the value of the property interests.

As the properties are held under long term Government Leases/Land Use Rights, we have assumed that the owners of the property interests have free and uninterrupted rights to use or transfer the property interests for the whole of the unexpired term of the respective Government Leases / Land Use Rights. In our valuation, we have assumed that the property interests can be freely disposed of and transferred to third parties on the open market without any additional payment to the relevant government authorities. Unless stated as otherwise, vacant possession is assumed for the properties concerned.

For those properties of which the land use rights is granted by the government with land premium being paid by instalments, we have valued them on the basis that the purchasers will honour their contracts and settle the outstanding sums in accordance with the agreed payment terms so as to secure valid interests in the properties.

With regard to the properties under development, we have valued them on the assumption that they are developed in accordance with development proposals or building plans given to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the properties under development have been granted.

Where the properties are held for future development, we have assumed that they will be developed or redeveloped immediately after successful site assembly, termination of existing tenancies, completion of negotiation with government or obtaining approval of building plans.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the appraisal report. Moreover, it is assumed that the utilization of the land and improvements is within the boundaries of the site held by the owner or permitted to be occupied by the owner. In addition, we assumed that no encroachment or trespass exists, unless noted in the report.

No environment impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licences, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organization either have been or can be obtained or renewed for any use which the report covers.

Other special assumptions of each property, if any, have been stated out in the footnotes of the valuation certificate for the respective properties.

TITLESHIP INVESTIGATION

We have not been provided with copies of title documents regarding the properties in the PRC under valuation. However, due to the current registration system of the PRC, no investigations have been made for the legal title or any liabilities attached to the properties in the PRC.

We have caused title search to be made in the Land Registry for the properties situated in Hong Kong and Macau. However, we have not verified ownership of the properties and the existence of any encumbrances that would affect ownership of them.

In our valuation, we have relied on the legal opinions given by Kunlun Law Firm (“the PRC Legal Advisors”) in relation to the Group’s legal title to and the nature of the land interest in the properties located in the PRC concerned.

In respect of some of the property interests of which further approvals and consents and land premium payments remain outstanding, the valuation is based on the assumption that there is no major difficulty for the Company or its subsidiaries to obtain such approvals and consents and that the Company or its subsidiaries shall settle such outstanding land premium accordingly.

In the course of valuation, we have assumed that all the property interests are currently held by the Company or its subsidiaries, which have the rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the interests within their respective terms of land use rights granted by the government without the need to seek further approval from and paying additional premium to the government.

All legal documents disclosed in this report, if any, are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interests set out in this report.

LIMITING CONDITIONS

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made and we are therefore unable to report as to whether the properties is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the land or building areas in respect of the relevant properties but have assumed that the areas shown on the legal documents provided to us are correct. Based on our experience of valuation of similar properties in the PRC, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

No site investigations have been carried out to determine the suitability of the ground conditions or the services for any property development. Our valuation is made on the basis that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided and have accepted advice given to us by the Company on such matters as planning approvals, statutory notices, easements, tenure, occupation, lettings, construction costs, rentals, site and floor areas and in the identification of those properties in which the Company has valid interests. We have had no reason to doubt the truth and accuracy of the information provided to us by them. We were also advised by the Company that no material factors have been omitted from the information to reach an informed view, and have no reason to suspect that any material information has been withheld.

No allowances have been made in our valuation for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all the interests are free of encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Should disposal of the property be conducted, the potential tax liabilities arising will include (a) the sales tax (5% on the transaction price) and land appreciation tax (varies from 30% to 60% on the appreciation depending on the ratio of the appreciation to the original cost of the property) for the PRC properties; (b) the stamp duty (varies from HK\$100 to 4.25% of the transaction price) for Hong Kong properties; (c) the stamp duty (varies from 1% to 3% depending on the transaction price) for Macau properties and (d) the stamp duty (1% for the first S\$180,000, 2% for the next S\$180,000 and 3% for the remainder) for Singapore properties.

The amount of tax liabilities would be crystallized if the properties held for sale which are classified under Group IV in this report were to be sold at the amount of the valuation. However, as at the date of valuation, the Group does not have any intention to sell the properties held for development, held for investment, held for owner occupation and held under REIT which are classified under Group I, II, III and V respectively in this report, the amount of tax liabilities for these properties would not be crystallized.

OPINION OF VALUE

The summary of valuation and the respective valuation certificates enclosed have already shown the capital values of each individual property interests.

REMARKS

Our valuation has been prepared in accordance with generally accepted valuation procedures and in compliance with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Takeovers and Mergers.

In valuing the property interests, we have complied with the requirements contained in the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors and effective from 1st January 2005.

For the property interests in the PRC, Hong Kong, Macau and Singapore, the property values are stated in Chinese Renminbi (RMB), Hong Kong Dollars (HK\$), Patacas (MOP) and Singapore Dollars (S\$) respectively.

We enclose herewith the summary of valuation and valuation certificates.

This valuation report is issued subject to our general service conditions.

Yours faithfully,
For and on behalf of
GREATER CHINA APPRAISAL LIMITED

K. K. Ip *BLE, LLD*
Chartered Valuation Surveyor
Registered Professional Surveyor
Managing Director

Note: Mr. K. K. Ip, who is a Chartered Valuation Surveyor and a Registered Professional Surveyor, has substantial experience in valuation of properties in Hong Kong and the PRC since 1992.

*PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC***Group I — Property Interests Held for Development**

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
1. Land Parcel Lot D8-C3 of Zhujiang New Town (珠江新城D8-C3地塊) Tian He District Guangzhou Guangdong Province The PRC	359,000,000	95.00%	341,050,000
2. Land Parcel Lot B2-10 of Zhujiang New Town (珠江新城B2-10地塊) Zhu Jiang Da Road East Tian He District Guangzhou Guangdong Province The PRC	559,000,000	95.00%	531,050,000
3. New Times Building — Main Block (新時代大廈主樓) No. 11 Jian She San Road Yue Xiu District Guangzhou Guangdong Province The PRC	88,500,000	44.00%	38,940,000
4. Land Parcel Junction of Dong Feng Road and Jie Fang North Road (東風路N4) Yue Xiu District Guangzhou Guangdong Province The PRC	67,000,000	95.00%	63,650,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
5.	Sports Stadium Building Project (體育大廈項目) No. 119 Liuhua Road Yue Xiu District Guangzhou Guangdong Province The PRC	724,500,000	100.00%	724,500,000
6.	Land Parcels Lots 2-5, 6 and Zone 10 of Phase IV of Jiang Nan New Village (江南新村四期2-5, 6及十區項目) West of Jiang Nan Road Hai Zhu District Guangzhou Guangdong Province The PRC	85,000,000	95.00%	80,750,000
7.	Land Parcels Lots 1-9 and 10 of Huangshi (黃石1-9、10地塊) North of Huangshi Road and South of Mawu Village Bai Yun District Guangzhou Guangdong Province The PRC	97,000,000	95.00%	92,150,000
8.	Land Parcels Lots DN0401, 0402 and 0501 of Guangzhou University City (廣州大學城DN0401, 0402, 0501地塊) Xiao Gu Wei Island Panyu District Guangzhou Guangdong Province The PRC	1,043,000,000	95.00%	990,850,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
9. Land Parcels Lots DS1202 and 1301 of Guangzhou University City (廣州大學城DS1202, 1301地塊) Xiao Gu Wei Island Panyu District Guangzhou Guangdong Province The PRC	888,000,000	95.00%	843,600,000
10. Conghua Wen Quan Project (從化溫泉項目) No.25 Wenquan Road West Wenquan Village Conghua District Guangzhou Guangdong Province The PRC	5,000,000	95.00%	4,750,000
11. Southern Le Sand Construction-in-progress and Undeveloped Land Parcel (南沙濱海花園在發展中及待發展土地) Guang Long Management District Nansha Economic Technical Development Zone (南沙開發區廣隆管理區) Nansha District Guangzhou Guangdong Province The PRC	2,299,000,000	95.00%	2,184,050,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
12.	Land Parcel Lot B3711B03 Zone B of Jin Sha Zhou (金沙洲B3711B03地塊) Bai Yun District Guangzhou Guangdong Province The PRC	759,000,000	100.00%	759,000,000
13.	Land Parcels Lots 0401078 and 0401079 South of Beihuan Road Pengjiang District Jiangmen (江門地塊) Guangdong Province The PRC	1,023,000,000	95.00%	971,850,000
14.	Land Parcel Lot 3706020050070048000 South of Zhichu Road, East of Chufeng Six Street and North of Fenghuangtai Road Zhifu District Yantai (煙台地塊) Shandong Province The PRC	269,000,000	95.00%	255,550,000
15.	Land Parcel Lot G26-09-0369 Zhu Xiu Yuan Southern District Zhongshan (中山南區地塊) Guangdong Province The PRC	562,000,000	95.00%	533,900,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
16.	Land Parcel No. 32 Qi Guan Road West Shi Qi District Zhongshan (中山岐關地塊) Guangdong Province The PRC	305,000,000	100.00%	305,000,000
17.	Guangzhou International Finance Centre (廣州國際金融中心) No. 5 Zhujiang Road West Tian He District Guangzhou Guangdong Province The PRC	4,901,000,000	99.00%	4,851,990,000
18.	Land Parcel Lot E3-1 of Zhujiang New Town (珠江新城E3-1地塊) Tian He District Guangzhou Guangdong Province The PRC	1,597,000,000	95.00%	1,517,150,000
19.	Land Parcels Lots 12-1 and 12-5 (天河商旅12-1, 12-5地塊 — 亞太世紀廣場) North of Tianhe Road North and East of Linhe Road East Tian He District Guangzhou Guangdong Province The PRC	869,000,000	(see valuation certificate)	853,400,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
20.	Land Parcel Lot D3-7 of Zhujiang New Town (珠江新城D3-7地塊) Tian He District Guangzhou Guangdong Province The PRC	449,000,000	100.00%	449,000,000
21.	Land Parcel Blocks A and F Jiang Nan New Mansion (江南新苑AF) No. 40 Xin Gang Road West Hai Zhu District Guangzhou Guangdong Province The PRC	1,477,000,000	95.00%	1,403,150,000
22.	Land Parcels Lots 4-5, 6 and Zone 7 of Phase III of Jiang Nan New Village (江南新村三期4-5、6及七區) West of Jiang Nan Road Hai Zhu District Guangzhou Guangdong Province The PRC	214,000,000	95.00%	203,300,000
23.	Land Parcel Blocks 17 to 22 Springland Garden (翠城花園17-22棟項目) Cui Cheng Street Hai Zhu District Guangzhou Guangdong Province The PRC	1,060,000,000	100.00%	1,060,000,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
24.	Land Parcel Lot 3-6, 8, 9 of Phase IV of Jiang Nan New Village (江南新村四期3-6.8.9地塊) West of Jiang Nan Road Hai Zhu District Guangzhou Guangdong Province The PRC	71,000,000	95.00%	67,450,000
25.	Land Parcels Lots DS1601, 1102, 1604 and 1703 of Guangzhou University City (廣州大學城DS1601, 1102, 1604, 1703地塊) Xiao Gu Wei Island Panyu District Guangzhou Guangdong Province The PRC	1,172,000,000	95.00%	1,113,400,000
26.	Land Parcel Fortune World Plaza Project (財富天地廣場項目) Xiwán Road Li Wan District Guangzhou Guangdong Province The PRC	2,742,000,000	97.55%	2,674,821,000
27.	Land Parcel Huadu Project (花都地塊) Huadong Town Huadu District Guangzhou Guangdong Province The PRC	66,000,000	100.00%	66,000,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
28.	Land Parcels Zone B and F of Conghua Glade Village (逸泉山莊小B、F區地塊) Jiekou Street Conghua District Guangzhou Guangdong Province The PRC	341,000,000	95.00%	323,950,000
29.	Land Parcels Lots B3709B07 and B3709B08 Zone B of Jin Sha Zhou (金沙洲B3709B07, B3709B08地塊) Bai Yun District Guangzhou Guangdong Province The PRC	607,000,000	100.00%	607,000,000
30.	Land Parcel Er Sha Yu Lian Project (二沙羽聯項目) Er Shan District 11 Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	30,000,000	95.00%	28,500,000
31.	Land Parcel Lot B2-7 of Zhujiang New Town (珠江新城B2-7地塊) Tian He District Guangzhou Guangdong Province The PRC	1,029,000,000	32.30%	332,367,000

Group II — Property Interests Held for Investment

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
32.	Guang Yuan Cultural Centre (廣源文化中心) No. 33 Jing Tai Zhi Street Bai Yun District Guangzhou Guangdong Province The PRC	186,000,000	95.00%	176,700,000
33.	Levels 1 and 2 of Blocks 6-11, 12 Guang Yuan Xin Cun (廣源新村) Junction of Jing Tai Zhi Street and Guang Yuan Zhong Road Bai Yun District Guangzhou Guangdong Province The PRC	7,200,000	95.00%	6,840,000
34.	Level 1 of Block 1 and Levels 1 and 2 of Blocks 12 and 14 Luo Chong Wei (羅冲圍) Bai Yun District Guangzhou Guangdong Province The PRC	11,100,000	95.00%	10,545,000
35.	Level 1 Blocks 4-11, 12 Tong De Garden (同德花園) Tong Jing Xi Street Tong Jing Yuan Xi Cha Road Bai Yun District Guangzhou Guangdong Province The PRC	5,900,000	95.00%	5,605,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
36.	Shops on Level 1 to Level 3 and Basement Car Park Blocks 5-1, 2 Huangshi Garden (黄石花园) No. 113 Huang Shi Road East Bai Yun District Guangzhou Guangdong Province The PRC	62,000,000	95.00%	58,900,000
37.	Blocks 5-3 Huangshi Garden (黄石花园) No. 113 Huang Shi Road East Bai Yun District Guangzhou Guangdong Province The PRC	88,000,000	95.00%	83,600,000
38.	Xiang Kang Commercial Building (祥康商貿大廈) Nos. 11-21 Guang Hua Yi Road Bai Yun District Guangzhou Guangdong Province The PRC	253,800,000	100.00%	253,800,000
39.	Rooms 701, 801, 901 in South Wing and Room 901 in North Wing Li Yuan Building (利源大廈) East of Bai Yun Airport Bai Yun District Guangzhou Guangdong Province The PRC	1,500,000	95.00%	1,425,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
40.	Level 1 Blocks 4-3, 4, 5, 6 Tong De Garden (同德花園) Nos. 121-155 Tong Jing Street Bai Yun District Guangzhou Guangdong Province The PRC	19,800,000	95.00%	18,810,000
41.	Level 7 and Basement Car Park Fortune Plaza (財富廣場) Nos. 114-118 Ti Yu Dong Road Tian He District Guangzhou Guangdong Province The PRC	40,600,000	95.00%	38,570,000
42.	Office Tower B Victory Plaza (維多利廣場) No. 101 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	424,200,000	95.00%	402,990,000
43.	City Development Plaza (城建大廈) Nos. 185-189 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	170,100,000	95.00%	161,595,000
44.	Lu Hu Building (麓湖綜合樓) No. 123 Lu Jing Road Lake Lu Tian He District Guangzhou Guangdong Province The PRC	71,000,000	95.00%	67,450,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
45. Tian He Southern Residential 9-8, 9, 18, 19 (天河南住9-8, 9, 18, 19) Tian He District Guangzhou Guangdong Province The PRC	62,000,000	95.00%	58,900,000
46. Basement Car Park Tian Hui Court (天暉閣) No. 18 Tian He Dong Road Tian He District Guangzhou Guangdong Province The PRC	6,800,000	95.00%	6,460,000
47. Tian He Western Residential 1-3 (天河西住1-3) No. 125 Tian He Xi Road Tian He District Guangzhou Guangdong Province The PRC	18,300,000	95.00%	17,385,000
48. Levels 1 and 2 Tian He Southern Residential 9-20 (天河南住9-20) No. 19 Ti Yu Dong Heng Street Tian He District Guangzhou Guangdong Province The PRC	4,700,000	95.00%	4,465,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
49.	Level 3 to Level 4 Tian Hui Court (天暉閣) Tian He Southern Residential 13-3, 4 Tian He District Guangzhou Guangdong Province The PRC	18,200,000	95.00%	17,290,000
50.	Basement Car Park Blocks A, B, and C of Hui Ya Court (薈雅苑A、B、C幢停車場) Nos. 251, 253, 255 Tian He Bei Road Tian He District Guangzhou Guangdong Province The PRC	78,350,000	(see valuation certificate)	76,560,000
51.	Zone 4 of Tian He Nan Residential Area (天河南住4區綜合樓) No. 111 Ti Yu Xi Heng Street Tian He District Guangzhou Guangdong Province The PRC	44,800,000	95.00%	42,560,000
52.	Car Park on Basement Levels 1 and 2 of Ming Ya Yuan (名雅苑) and Car Park on Basement of Block M2-4 Phase II of Ming Ya Yuan (名雅苑二期) Tian He District Guangzhou Guangdong Province The PRC	68,000,000	95.00%	64,600,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
53.	Basement Car Park Yang Qing Ju (漾晴居) Zhu Jiang Xin Cheng Tian He District Guangzhou Guangdong Province The PRC	6,800,000	95.00%	6,460,000
54.	Basement Car Park Tian Jun Yuan (天俊閣) Ti Yu Dong Road Tian He District Guangzhou Guangdong Province The PRC	22,800,000	95.00%	21,660,000
55.	Hong Fa Building (宏發大廈) Tian He Nan Er Road Tian He District Guangzhou Guangdong Province The PRC	223,800,000	100.00%	223,800,000
56.	Basement Car Park Xing Hui Guo Ji (星匯國際) Zhu Jiang Xin Cheng Tian He District Guangzhou Guangdong Province The PRC	57,300,000	100.00%	57,300,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
57. Shops on Ground Floor Nos. 16, 18, 20 and 22 Ti Yu Dong Heng Street (體育東橫街16、18、20、22號) Tian He District Guangzhou Guangdong Province The PRC	8,000,000	52.00%	4,160,000
58. Unit 107 No. 7 Liu Yun Liu Street (六運六街7號107單元) Tian He Nan Er Road Tian He District Guangzhou Guangdong Province The PRC	440,000	52.00%	228,800
59. Shops on Ground Floor Nos. 401, 403 Lin He Street (林和街401、403號) Tian He Bei Road Tian He District Guangzhou Guangdong Province The PRC	1,200,000	52.00%	624,000
60. Shop No. 7 No. 11-2 Ti Yu Xi Road Jun Hui Building (駿匯大廈) Tian He District Guangzhou Guangdong Province The PRC	1,600,000	52.00%	832,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
61.	Levels 1 and 2 Tian He Southern Residential 9-14, 15, 16 (天河南住9-14, 15, 16) Nos. 39-41 Ti Yu Dong Heng Street Tian He District Guangzhou Guangdong Province The PRC	24,900,000	95.00%	23,655,000
62.	Basement Car Park (新創舉大廈) No. 123 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	2,600,000	95.00%	2,470,000
63.	Level 1 to Level 8 Nos. 1-3 Tian He Bei Road (天河北路1-3號) Tian He District Guangzhou Guangdong Province The PRC	32,900,000	98.62%	32,445,980
64.	Tian He Southern Residential 9-21 (天河南住9-21) No. 3 Liu Yun Liu Street Tian He District Guangzhou Guangdong Province The PRC	2,100,000	98.126%	2,060,646

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
65.	Various Office Units on Level 2 Chao Hui Commercial Centre (朝暉商業中心) Chao Hui Garden No. 10 Tian Shou Road Tian He District Guangzhou Guangdong Province The PRC	6,300,000	95.00%	5,985,000
66.	Popark Plaza (東方寶泰廣場) Tian He East Station Tian He District Guangzhou Guangdong Province The PRC	900,000,000	95.00%	855,000,000
67.	Basement Car Park Jun Hui Building (駿匯大廈) No. 13 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	12,000,000	100.00%	12,000,000
68.	Shops on Level 1 and Level 2 and Car Parking Spaces on Basement Levels Galaxy City Shopping Centre (星匯園) Nos. 11-17 Jin Sui Road Tian He District Guangzhou Guangdong Province The PRC	24,200,000	100.00%	24,200,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
69.	Basement Car Park White Horse Commercial Building (白馬商貿大廈) Nos. 14-18 Zhan Nan Road Yue Xiu District Guangzhou Guangdong Province The PRC	15,200,000	95.98%	14,588,960
70.	Levels 1 and 2 No. 55 Pan Fu Road (盤福路) Yue Xiu District Guangzhou Guangdong Province The PRC	10,000,000	98.62%	9,862,000
71.	Jin Han Building (錦漢大廈) No. 119 Liuhua Road Yue Xiu District Guangzhou Guangdong Province The PRC	80,000,000	100.00%	80,000,000
72.	Yue Xiu City Plaza (越秀城市廣場) Dong Feng Zhong Road Yue Xiu District Guangzhou Guangdong Province The PRC	354,000,000	75.00%	265,500,000
73.	Level 1 Block 4-5 Shui Yin Gang (水蔭崗) Yue Xiu District Guangzhou Guangdong Province The PRC	2,300,000	95.00%	2,185,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
74.	Cheng Zhong Building (城總大廈) No. 42 Ba Chi Er Ma Road Yue Xiu District Guangzhou Guangdong Province The PRC	41,000,000	95.00%	38,950,000
75.	Basement Car Park Fortuna Garden (福萊花園) No. 23 Lane 6 Shui Yin Lu Straight Street West Yue Xiu District Guangzhou Guangdong Province The PRC	8,000,000	95.00%	7,600,000
76.	Er Sha District 11 (二沙11區) Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	33,600,000	95.00%	31,920,000
77.	Basement Car Park No. 11 South 2nd Street Siyou New Road (寺右新馬路南二街) Yue Xiu District Guangzhou Guangdong Province The PRC	37,000,000	81.26%	30,066,200

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
78.	Gold Arch Residence (金亞花園) Da Tong Road Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	200,000	95.00%	190,000
79.	Hua Cheng Yuan (花城苑) Da Tong Road Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	200,000	95.00%	190,000
80.	Basement Car Park Dragons Pearl Garden (聚龍花園) Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	500,000	95.00%	475,000
81.	Basement Car Park Er Sha District 15 (二沙15區) Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	28,800,000	95.00%	27,360,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
82. New Times Building – Ancillary Block (新時代大廈附樓) No. 11 Jian She San Road Yue Xiu District Guangzhou Guangdong Province The PRC	7,800,000	44.00%	3,432,000
83. Unit 101 on Ground Floor Yun Xi Court Cloudview Garden (雲影花園雲曦閣) No. 8 Yun Ying Street Da Tong Road Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	1,100,000	52.00%	572,000
84. Levels 1 to 3 Blocks 2-11, 2-12 Phase IV of Jiang Nan New Village (江南新村四期) Xing Lin Da Street Hai Zhu District Guangzhou Guangdong Province The PRC	34,000,000	95.00%	32,300,000
85. Basement Car Park Ke Yi Ming Ting (可逸名庭) No. 6 Xing Tan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	41,000,000	95.00%	38,950,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
86.	H1, 4 Nos. 148, 154 Jiang Nan Da Road Central (江南大道中148、154號) Phase I of Jiang Nan Estate Hai Zhu District Guangzhou Guangdong Province The PRC	7,300,000	95.00%	6,935,000
87.	Commercial Spaces and Basement Car Park Blocks C, D and F Jiang Nan New Mansion (江南新苑) Xin Gang Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	23,580,000	95.00%	22,401,000
88.	Basement Car Park Peony Court (紫丹閣) Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	9,600,000	95.00%	9,120,000
89.	Basement Car Park Ju Ya Yuan (聚雅苑) No. 310 Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	5,900,000	100.00%	5,900,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
90.	No. 162 Jiang Nan Da Road Central (江南大道中162號) Hai Zhu District Guangzhou Guangdong Province The PRC	30,100,000	52.00%	15,652,000
91.	Shop A on Ground Floor Nos. 303, 305 Bao Gang Da Road Ke Yi Ming Ting (可逸名庭) No. 6 Xing Tan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	5,600,000	52.00%	2,912,000
92.	Shop A on Ground Floor Nos. 295, 297 Bao Gang Da Road Ke Yi Ming Ting (可逸名庭) No. 6 Xing Tan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	3,500,000	52.00%	1,820,000
93.	Shop B on Level 2 Nos. 289, 291, 299, 301 Bao Gang Da Road Ke Yi Ming Ting (可逸名庭) No. 6 Xing Tan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	4,500,000	52.00%	2,340,000

No.	Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
94.	Shops on Level 1 to Level 4 and Basement Car Park Ren Hui Building (潤匯大廈) No. 65 Jiang Nan Road West Hai Zhu District Guangzhou Guangdong Province The PRC	90,800,000	95.00%	86,260,000
95.	Jiang Xing Building (江興大廈) Nos. 78-82 Jiang Nan Da Road Zhong Hai Zhu District Guangzhou Guangdong Province The PRC	107,000,000	95.00%	101,650,000
96.	Commercial Units on Level 1 to Level 2 Bin Jiang Yi Yuan (濱江怡苑) Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	45,200,000	95.00%	42,940,000
97.	Commercial Units on Level 1 to Level 2 Bin Jiang Yi Yuan (濱江怡苑) Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	28,300,000	95.00%	26,885,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
98. Commercial Units on Level 1 to Level 2 Bin Jiang Yi Yuan (濱江怡苑) Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	26,800,000	95.00%	25,460,000
99. Basement Car Park Bin Jiang Yi Yuan (濱江怡苑) Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	3,100,000	95.00%	2,945,000
100. Basement Level Block 7-12 Nan Kang Court (南康閣) Phase IV of Jiang Nan Estate Bao Gang Da Road Hai Zhu District Guangzhou Guangdong Province The PRC	1,000,000	95.00%	950,000
101. Basement Levels 1 and 2 Block 9-2 (南天閣) Phase IV of Jiang Nan New Village (江南新村四期) No. 35 Zi Shan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	2,000,000	95.00%	1,900,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
102. Blocks 5-1, 2 Phase III of Jiang Nan New Village (江南新村三期) No. 8-14 Zi Yu Da Street Hai Zhu District Guangzhou Guangdong Province The PRC	500,000	95.00%	475,000
103. Unit A on 3rd Floor and Units B, C, D, E, F and G on 4th Floor Seascape Square (蛇口海景廣場) No. 18 Tai Zi Road Shekou Industrial District Shenzhen Guangdong Province The PRC	33,000,000	100.00%	33,000,000
104. Yue Xiu Plaza (大連越秀大廈) Xinkai Road Xi Gang District Dalian Liaoning Province The PRC	69,000,000	100.00%	69,000,000

Group III — Property Interests Held for Owner Occupation

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
105. Espring Hotel (逸泉國際大酒店) No. 1 Qinquan Road Yiquan Shanzhuang Jiekou Street Conghua District Guangzhou Guangdong Province The PRC	166,000,000	95.00%	157,700,000
106. Flat B, 3rd Floor Xiangdu Garden (大連香都花園) No. 151 Shengli Road Xigang District Dailian Liaoning Province The PRC	460,000	100.00%	460,000

Group IV — Property Interests Held for Sale

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
107. Unsold Units of Phase II Tong De (同德二期) Nos. 121-155 Tong Jing Street Bai Yun District Guangzhou Guangdong Province The PRC	40,000,000	95.00%	38,000,000
108. Unsold Units of Xing Hui Qing Xuan (星匯晴軒) 21-29 Xinyi Road Bai Yun District Guangzhou Guangdong Province The PRC	24,000,000	95.00%	22,800,000
109. Unsold Units of Ling Nan Ya Yuan (嶺南雅院) Mingde Street Xicha Road Bai Yun District Guangzhou Guangdong Province The PRC	26,600,000	95.00%	25,270,000
110. Unsold Units of Long De Building (隆德大廈) Tian He District Guangzhou Guangdong Province The PRC	9,500,000	95.00%	9,025,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
111. Yangcheng International Trading Centre (羊城國際貿易中心) No. 122 Ti Yu Dong Road Tian He District Guangzhou Guangdong Province The PRC	10,300,000	95.00%	9,785,000
112. Unsold Units of Hongcheng Garden (宏城花園) Yue Xiu District Guangzhou Guangdong Province The PRC	18,600,000	100.00%	18,600,000
113. Unsold Units of Wen De Ya Xuan (文德雅軒) No.9-19 Ju Ren Fang Dezheng Zhong Road Yue Xiu District Guangzhou Guangdong Province The PRC	4,000,000	100.00%	4,000,000
114. Unsold Units of Springland Garden (翠城花園) Cui Cheng Street Hai Zhu District Guangzhou Guangdong Province The PRC	224,900,000	100.00%	224,900,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
115. Unsold Units of Rayon Jardin (可逸豪苑) Hai Zhu District Guangzhou Guangdong Province The PRC	185,600,000	95.00%	176,320,000
116. Unsold Units of Haizhu Garden (海珠花園) Hai Zhu District Guangzhou Guangdong Province The PRC	56,100,000	(see valuation certificate)	54,130,000
117. Unsold Units of Conghua Glade Village (逸泉山莊大B,C,E區) Jiekou Street Conghua District Guangzhou Guangdong Province The PRC	73,600,000	95.00%	69,920,000
118. Unsold portion of Southern Le Sand Phase II and III (南沙濱海花園二期及三期) Guang Long Management District Nansha Economic Technical Development Zone (南沙開發區廣隆管理區) Nansha District Guangzhou Guangdong Province The PRC	126,900,000	95.00%	120,555,000

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
119. Basement Level Haikou Cai Fu Plaza (海口財富廣場) Financial Zone Haikou Hainan Province The PRC	23,200,000	52.00%	12,064,000

Group V — Property Interests Held under Real Estate Investment Trust (REIT)

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
120. Portion held under REIT Victory Plaza (維多利廣場) No. 101 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	600,200,000	35.58%	213,551,160
121. Portion held under REIT City Development Plaza (城建大廈) Nos. 185-189 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	439,600,000	35.58%	156,409,680

No. Property	Capital Value in existing state as at 31 July 2010 (RMB)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (RMB)
122. Portion held under REIT Fortune Plaza (財富廣場) Nos. 114-118 Ti Yu Dong Road Tian He District Guangzhou Guangdong Province The PRC	609,500,000	35.58%	216,860,100
123. Portion held under REIT White Horse Commercial Building (白馬商貿大廈) Nos. 14-18 Zhan Nan Road Yue Xiu District Guangzhou Guangdong Province The PRC	2,973,000,000	35.58%	1,057,793,400
124. Portion held under REIT Yuexiu Metropolis (越秀新都會) Nos. 232-258 Zhong Shan Liu Road Yue Xiu District Guangzhou Guangdong Province The PRC	626,100,000	35.58%	222,766,380
Sub-total:	<u>RMB36,156,930,000</u>		<u>RMB30,973,645,306</u>

*PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG***Group I — Property Interests Held for Development**

NIL

Group II — Property Interests Held for Investment

No. Property	Capital Value in existing state as at 31 July 2010 (HK\$)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (HK\$)
125. Car Parking Spaces on 1st to 4th Floors Seabright Plaza Nos. 9-23 Shell Street North Point Hong Kong	24,200,000	100.00%	24,200,000
126. Shops on 1st to 3rd Floors (excluding Flat Roof thereof) and offices on 5th Floor and 10th Floor Yue Hing Building No. 103 Hennessy Road Wanchai Hong Kong	55,400,000	100.00%	55,400,000
127. Car Parking Spaces on Basement and 2nd to 4th Floor Yue Xiu Building Nos. 160-174 Lockhart Road Wanchai Hong Kong	30,000,000	100.00%	30,000,000

No. Property	Capital Value in existing state as at 31 July 2010 (HK\$)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (HK\$)
128. Shop Nos. G01 and G02 on Upper Ground Floor, Shop Nos. 102 to 105, 107, 109, 117, 119, 122, 131, 156 and 157 on 1st Floor and 220 on 2nd Floor Oriental 188 Shopping Centre Kwong Sang Hong Building Blocks C and D No. 188 Wanchai Road Wanchai Hong Kong	49,500,000	100.00%	49,500,000
129. Office A (including Lavatory) on 13th Floor Kiu Fu Commercial Building Nos. 300, 302, 304 & 306 Lockhart Road Wanchai Hong Kong	4,580,000	100.00%	4,580,000
130. Unit C on 20th Floor Li Chit Garden No. 1 Li Chit Street Wanchai Hong Kong	4,090,000	100.00%	4,090,000
131. Unit C on 21st Floor Li Chit Garden No. 1 Li Chit Street Wanchai Hong Kong	4,090,000	100.00%	4,090,000
132. Flat E on 20th Floor of Block 5 City Garden Nos. 231-233 Electric Road North Point Hong Kong	7,570,000	100.00%	7,570,000

No. Property	Capital Value in existing state as at 31 July 2010 (HK\$)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (HK\$)
133. 1st Basement, 2nd Basement, 3rd Basement and Ground to 4th Floors Yue Xiu Plaza Nos. 1-7 King Fuk Street Nos. 3-23 Ning Yuen Street San Po Kong Kowloon	378,500,000	100.00%	378,500,000
134. Kam Po Court No. 16 Tsing Tai Road Tai Lam New Territories	17,000,000	100.00%	17,000,000
135. Workshop I on 4th Floor Valiant Industrial Centre Nos. 2-12 Au Pui Wan Street Fo Tan Shatin New Territories	2,840,000	100.00%	2,840,000
136. Flats A and C on 4th Floor, Flat C on 5th Floor, Flats A and C on 6th Floors and Flats A and C on 7th Floors Manifold Court Nos. 36-46 Pokfulam Road Sai Ying Pun Hong Kong	17,300,000	100.00%	17,300,000

Group III — Property Interests Held for Owner Occupation

No. Property	Capital Value in existing state as at 31 July 2010 (HK\$)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (HK\$)
137. Flat A on 19th Floor of Block 1 City Garden Nos. 231-233 Electric Road North Point Hong Kong	6,800,000	100.00%	6,800,000
138. Flat B on 25th Floor of Block 1 City Garden Nos. 231-233 Electric Road North Point Hong Kong	6,450,000	100.00%	6,450,000
139. Flat A on 11th Floor of Block 3 City Garden Nos. 231-233 Electric Road North Point Hong Kong	6,360,000	100.00%	6,360,000
140. Flat B on 6th Floor of Block 6 City Garden Nos. 231-233 Electric Road North Point Hong Kong	7,780,000	100.00%	7,780,000
141. Flat C on 33rd Floor Sung Fung Court – Harbour Heights No. 3 Fook Yum Road North Point Hong Kong	5,230,000	100.00%	5,230,000

No. Property	Capital Value in existing state as at 31 July 2010 (HK\$)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (HK\$)
142. Flat A on 1st Floor (including the flat roof) Flats B on 5th to 8th Floors and Flats B on 10th to 12th Floors Wing Shun Mansion No. 9 Kin Wah Street North Point Hong Kong	24,250,000	100.00%	24,250,000
143. Units A-G on 27th and 28th Floor Seabright Plaza Nos. 9-23 Shell Street North Point Hong Kong	48,950,000	100.00%	48,950,000
144. The South China Hotel Nos. 67-75 Java Road Hong Kong	400,000,000	100.00%	400,000,000
145. Section B of Yau Tong Inland Lot No. 4 Tung Yuen Street Yau Tong Kowloon Hong Kong	506,000,000	100.00%	506,000,000
146. Yau Tong Marine Lot No. 57 No. 16 Tung Yuen Street Yau Tong Kowloon Hong Kong	169,000,000	100.00%	169,000,000
147. Yau Tong Inland Lot No. 9 No. 21 Tung Yuen Street Yau Tong Kowloon Hong Kong	449,000,000	100.00%	449,000,000

Group IV — Property Interests Held for Sale

No. Property	Capital Value in existing state as at 31 July 2010 (HK\$)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (HK\$)
148. 30 Car Parking Spaces Pokfulam Terrace No. 8 Wah Fu Road Pokfulam Hong Kong	13,500,000	100.00%	13,500,000
Sub-total:	<u>HK\$2,238,390,000</u>		<u>HK\$2,238,390,000</u>

*PROPERTY INTERESTS HELD BY THE GROUP IN MACAU***Group I — Property Interests Held for Development**

No. Property	Capital Value in existing state as at 31 July 2010 (MOP)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (MOP)
149. Site at the junction of No. 1-5, A. de Artur Tamagninl Barbosa and Nos. 2-4 A. da Conselheiro Borja Macau	2,300,000	50.00%	1,150,000

Group II — Property Interests Held for Investment

No. Property	Capital Value in existing state as at 31 July 2010 (MOP)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (MOP)
150. Flats E and F on 13th Floor of Block A Flat D on 13th Floor of Block B Yue Xiu Garden at the junction of Avenida Ouvidor Arriaga and Rua de Francisco Xavier Pereira Macau	5,500,000	100.00%	5,500,000

Group III — Property Interests Held for Owner Occupation

NIL

Group IV — Property Interests Held for Sale

NIL

	_____	_____
Sub-total:	<u>MOP7,800,000</u>	<u>MOP6,650,000</u>

*PROPERTY INTERESTS HELD BY THE GROUP IN SINGAPORE***Group I — Property Interests Held for Development**

NIL

Group II — Property Interests Held for Investment

No. Property	Capital Value in existing state as at 31 July 2010 (S\$)	Interest attributable to the Group (%)	Capital Value in existing state attributable to the Group as at 31 July 2010 (S\$)
151. 20 Malacca Street #07-00 Malacca Centre Singapore 048979	1,260,000	100.00%	1,260,000
152. 20 Malacca Street #10-00 Malacca Centre Singapore 048979	1,260,000	100.00%	1,260,000
153. 20 Malacca Street #14-00 Malacca Centre Singapore 048979	1,130,000	100.00%	1,130,000

Group III — Property Interests Held for Owner Occupation

NIL

Group IV — Property Interests Held for Sale

NIL

Sub-total:	S\$3,650,000	S\$3,650,000
Grand Total:	RMB36,156,930,000	RMB30,973,645,306
	HK\$2,238,390,000	HK\$2,238,390,000
	MOP7,800,000	MOP6,650,000
	S\$3,650,000	S\$3,650,000

PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC

Group I — Property Interests Held for Development

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
1.	Land Parcel Lot D8-C3 of Zhujiang New Town (珠江新城D8-C3地塊) Tian He District Guangzhou Guangdong Province The PRC	The property comprises a development land (the “Land”) with an area of approximately 6,349 square metres on which a commercial complex is proposed to be developed. As advised by the Company, the total gross floor area of the property will be approximately 22,514 square metres. The property is held under a State-owned Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 10 December 2009.	As at the date of valuation, the property was vacant.	359,000,000 (95.00% interest attributable to the Group: 341,050,000

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 25 November 2009, the property is held by 廣州市城市建設開發有限公司 (“Guangzhou Construction”) for a term of 70 years for residential purpose commencing on 10 December 2009.
- ii. According to a Construction Land Use Planning Permit dated 7 September 2009, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 10 December 2009.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
2.	Land Parcel Lot B2-10 of Zhujiang New Town (珠江新城B2-10地块) Zhu Jiang Da Road East Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 9,831 square metres on which a commercial complex is proposed to be developed.</p> <p>As advised by the Company, the total gross floor area of the property will be approximately 210,477 square metres.</p> <p>The property is held under a State-owned Land Use Rights Certificate for a term of 40 years for commercial purpose commencing on 16 April 2007.</p>	As at the date of valuation, the property was vacant.	<p>559,000,000</p> <p>(95.00% interest attributable to the Group: 531,050,000</p>

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 19 April 2007, the property is held by Guangzhou Construction for a term of 40 years for commercial purpose commencing on 16 April 2007.
- ii. According to a Construction Land Use Planning Permit dated 2 March 2006, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. According to a Construction Works Planning Permit dated 6 December 2009, Guangzhou Construction has been permitted to construct the property on the land.
- iv. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Certificate for a term of 40 years for commercial purpose commencing on 16 April 2007.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.
- v. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- vi. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB														
3.	New Times Building – Main Block (新時代大廈主樓) No. 11 Jian She San Road Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises a parcel of land with a land area of 2,963 square metres on which a 28-storey commercial/office/residential/car parking building and a 2-storey basement are proposed to be built.</p> <p>The total proposed gross floor area of the property is approximately 21,343 square metres. Detailed breakdown as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">12,080</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">3,541</td> </tr> <tr> <td>Commercial/Others</td> <td style="text-align: right;">1,071</td> </tr> <tr> <td>Basement</td> <td style="text-align: right;">1,732</td> </tr> <tr> <td>Car Park</td> <td style="text-align: right;"><u>2,919</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>21,343</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	12,080	Office	3,541	Commercial/Others	1,071	Basement	1,732	Car Park	<u>2,919</u>	Total:	<u>21,343</u>	As at the date of valuation, construction of the property has currently been suspended.	88,500,000 (44.00% interest attributable to the Group: 38,940,000)
Use	Gross Floor Area Square metres																	
Residential	12,080																	
Office	3,541																	
Commercial/Others	1,071																	
Basement	1,732																	
Car Park	<u>2,919</u>																	
Total:	<u>21,343</u>																	
		<p>As advised by the Company, the construction of the property has been suspended. Resumption of the construction is targeted to be commenced in 5 years.</p> <p>The property is held for a term of 70 years for residential, 40 years for commercial/tourism/entertainment purposes and 50 years for other purposes commencing on 20 December 2004.</p>																

Notes:

- i. As specified in 9 sets of a Land Use Rights Certificate, the property interest is held by 廣州新時代房地產有限公司.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州新時代房地產有限公司 under 9 sets of Land Use Rights Certificate.
 - b. During the land use rights term, 廣州新時代房地產有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
4.	Land Parcel Junction of Dong Feng Road and Jie Fang North Road (東風路N4) Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 2,817 square metres on which a residential complex is proposed to be developed.</p> <p>As advised by the Company, the total gross floor area of the property will be approximately 9,860 square metres.</p> <p>The property is held under a State-owned Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 27 October 2005.</p>	As at the date of valuation, the property was vacant.	67,000,000 (95.00% interest attributable to the Group: 63,650,000)

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 28 October 2005, the property is held by Guangzhou Construction for a term of 70 years for residential purpose commencing on 27 October 2005.
- ii. Opinion of the PRC Lawyer is summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 27 October 2005.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- iv. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
5.	Sports Stadium Building Project (體育大廈項目) No. 119 Liuhua Road Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 23,438 square metres on which a commercial complex is proposed to be developed.</p> <p>As advised by Super Gain, the total gross floor area of the property will be approximately 103,595 square metres.</p> <p>As advised by the Company, the development proposal has been suspended though structure of basement portion was completed in 2002. Resumption of the construction is targeted to be commenced in 5 years. Currently, the buildings on the subject land are temporarily leased to various tenants for exhibition purpose.</p> <p>The property is held under a land use rights grant contract for a term of 70 years for residential, 40 years for commercial/tourism/entertainment purposes and 50 years for other purposes commencing on the issue date of Land Use Rights Certificate.</p>	As at the date of valuation, construction of the property has currently been suspended.	724,500,000 (100.00% interest attributable to the Group: 724,500,000

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 31 August 2004 entered into between the Land Resources Bureau of Guangzhou and 廣州體育大廈有限公司 ("Guangzhou Tiyu"), the land use rights of the Land was agreed to be granted to Guangzhou Tiyu in a consideration of RMB74,567,692 for a term of 70 years for residential, 40 years for commercial/tourism/entertainment purposes and 50 years for other purposes commencing on the issue date of Land Use Rights Certificate.
- ii. Approximately RMB201,500,000 of construction costs reflecting the physical state of the construction on site was incurred as at the date of valuation. The incurred cost has already been taken into account in the valuation.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Tiyu under a Land Use Rights Grant Contract.
 - b. There is no legal impediment for Guangzhou Tiyu to obtain State-owned Land Use Rights Certificate when the consideration payable under the Land Use Rights Grant Contract has been settled in full.

- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.

- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.

- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB												
7.	Land Parcels Lots 1-9 and 10 of Huangshi (黄石1-9、10地块) North of Huangshi Road and South of Mawu Village Bai Yun District Guangzhou Guangdong Province The PRC	The property comprises two parcels of development lands (the "Lands") with an area of approximately 6,472 square metres on which a commercial complex is proposed to be developed. The total gross floor area of the property is approximately 23,910 square metres. Detailed breakdown as follows:	As at the date of valuation, the property was vacant.	97,000,000 (95.00% interest attributable to the Group: 92,150,000)												
		<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>7,380</td> </tr> <tr> <td>Commercial</td> <td>7,200</td> </tr> <tr> <td>Office</td> <td>7,380</td> </tr> <tr> <td>Carpark</td> <td><u>1,950</u></td> </tr> <tr> <td>Total:</td> <td><u>23,910</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	7,380	Commercial	7,200	Office	7,380	Carpark	<u>1,950</u>	Total:	<u>23,910</u>		
Use	Gross Floor Area Square metres															
Residential	7,380															
Commercial	7,200															
Office	7,380															
Carpark	<u>1,950</u>															
Total:	<u>23,910</u>															
		The property is held under a Land Use Rights Grant Contract for a term of 70 years for residential, 40 years for commercial/tourism/entertainment purposes and 50 years for other purposes commencing on 16 June 1994.														

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 18 March 1994 entered into between the Land Resources Bureau of Guangzhou and Guangzhou Construction, the land use rights of the Land was agreed to be granted to Guangzhou Construction for a term of 70 years for residential purposes and 40 years for commercial/tourism purposes commencing on the issue date of Construction Land Permit of the PRC.
- ii. According to a Construction Land Use Planning Permit dated 15 January 1993, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Grant Contract.
 - b. There is no legal impediment for Guangzhou Construction to obtain State-owned Land Use Rights Certificate when the consideration payable under the Land Use Rights Grant Contract has been settled in full.

- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.

- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
8.	Land Parcels Lots DN0401, 0402, 0501 of Guangzhou University City (廣州大學城DN0401, 0402, 0501地塊) Xiao Gu Wei Island Panyu District Guangzhou Guangdong Province The PRC	<p>The property comprises three parcels of development land (the "Land") with total land area of approximately 35,635 square metres on which a residential complex is proposed to be developed.</p> <p>The total gross floor area of the property will be approximately 111,181 square metres.</p> <p>The property is held under three sets of State-owned Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 10 June 2010.</p>	As at the date of valuation, the property was vacant.	<p>1,043,000,000</p> <p>(95.00% interest attributable to the Group: 990,850,000</p>

Notes:

- i. According to three sets of State-owned Land Use Rights Certificate date 7 May 2010, the land use rights of the Land is held by Guangzhou Construction for a term of 70 years for residential purpose commencing on 10 June 2010.
- ii. According to three sets of Construction Land Use Planning Permit dated 26 February 2010, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under three sets of Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 10 June 2010.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
9.	Land Parcels Lots DS1202 and 1301 of Guangzhou University City (廣州大學城DS1202, 1301地塊) Xiao Gu Wei Island Panyu District Guangzhou Guangdong Province The PRC	<p>The property comprises two parcels of development land (the "Land") with total land area of approximately 30,573 square metres on which a residential complex is proposed to be developed.</p> <p>The total gross floor area of the property will be approximately 95,388 square metres.</p> <p>The property is held under two sets of State-owned Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 10 June 2010.</p>	<p>As at the date of valuation, the property was vacant.</p>	<p>888,000,000</p> <p>(95.00% interest attributable to the Group: 843,600,000)</p>

Notes:

- i. According to two sets of State-owned Land Use Rights Certificate date 7 May 2010, the land use rights of the Land is held by Guangzhou Construction for a term of 70 years for residential purpose commencing on 10 June 2010.
- ii. According to two sets of Construction Land Use Planning Permit dated 26 February 2010, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under two sets of Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 10 June 2010.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
10.	Conghua Wen Quan Project (從化溫泉項目) No.25 Wenquan Road West Wenquan Village Conghua District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the “Land”) with an area of approximately 6,795 square metres on which a residential complex is proposed to be developed.</p> <p>As advised by the Company, the total gross floor area of the property will be approximately 2,822 square metres.</p> <p>The property is held under a State-owned Land Use Rights Certificate for a term expiring on 6 September 2063 for residential use.</p>	As at the date of valuation, the property was vacant.	<p>5,000,000</p> <p>(95.00% interest attributable to the Group: 4,750,000)</p>

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 6 March 2006, the property is held by Guangzhou Construction for a term expiring on 6 September 2063 for residential use.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Certificate for a term expiring on 6 September 2063 for residential use.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- iv. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
11.	Southern Le Sand Construction-in-progress and Undeveloped Land Parcel (南沙濱海花園在發展中及待發展土地) Nansha Economic Technical Development Zone (南沙開發區廣隆管理區) Nansha District Guangzhou Guangdong Province The PRC	<p>The subject property, being the construction-in-progress of Phase II and III and the undeveloped land parcel of Southern Le Sand.</p> <p>Phase II and Phase III of Southern Le Sand occupies a land area of approximately 292,505 square metres with a total gross floor area of approximately 236,508 square metres. As advised by the Company, the construction will be completed in 2011.</p> <p>The undeveloped land has a land area of approximately 1,073,191 square metres. As advised by the Company, it will be developed in phases. Construction of the remaining phases is targeted to be commenced in 5 years.</p> <p>The property is held under a land use rights grant contract for a term of 70 years commencing on 25 December 2000 and expiring on 24 December 2070.</p>	As at the date of valuation, construction of the buildings of Phase II and III was in progress.	2,299,000,000 (95.00% interest attributable to the Group: 2,184,050,000)

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 16 November 2000 and 4 sets of Supplementary Contract dated between 2 April 2001 and 25 December 2006 entered into between the State Owned Land Administration Office of Guangzhou Nansha Economic Technical Development Zone and 廣州城建開發南沙房地產有限公司 (“Nansha”), the land use rights of the property was agreed to be granted to Nansha in a consideration of RMB947,046,450, inclusive of land development fee of RMB921,450,600, for a term of 70 years for residential purposes and 40 years for commercial/tourism purposes commencing on the issue date of Land Use Rights Certificate.
- ii. According to 4 sets of State-owned Land Use Rights Certificate date between 13 December 2005 and 11 September 2009, the land use rights of approximately 484,978 square metres of the Lands is held by Nansha for a term of 70 years for residential use with latest term expiring on 21 October 2075.
- iii. According to 16 sets of Construction Land Use Planning Permit dated between 22 May 2008 and 23 March 2010, the proposed development satisfied the town planning requirements and Nansha has been permitted to proceed with the land requisition.
- iv. Approximately RMB1,087,100,000 of construction costs reflecting the physical state of the construction on site of Phase II and Phase III was incurred. The incurred cost has already been taken into account in the valuation.

- v. The gross development value of Phase II and Phase III upon satisfactory completion is estimated to be approximately RMB1,427,000,000 and the estimated outstanding cost to complete the construction for Phase II and Phase III is approximately RMB26,000,000 as at the date of valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The land is held by Nansha under a Land Use Rights Grant Contract and 4 sets of Supplementary Contract.

 - b. A portion of the land with land area of approximately 484,978 square metres is held by Nansha under 4 sets of Land Use Rights Certificate for a term of 70 years for residential use with latest term expiring on 21 October 2075.

 - c. During the land use rights term, Nansha has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

 - d. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.

 - e. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.

 - f. The property is subject to a mortgage.

- vii. The aforesaid development scheme has been approved by Construction Committee of Guangzhou Nansha Economic Technical Development Zone via 6 sets of Construction Land Use Approval dated from 17 March 2006 and 19 July 2006 and 2 sets of Construction Land Use Planning Permit dated 6 July 2006 and 6 December 2006.

- viii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.

- ix. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
12.	Land Parcel Lot B3711B03 Zone B of Jin Sha Zhou (金沙洲B3711B03地塊) Bai Yun District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 103,436 square metres on which a commercial complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 160,326 square metres.</p> <p>The property is held under a Land Use Rights Grant Contract for a term of 70 years for residential purposes commencing on the issue date of Land Use Rights Certificate.</p>	As at the date of valuation, the property was vacant.	759,000,000 (100.00% interest attributable to the Group: 759,000,000)

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 8 January 2008 and a Supplemental Land Use Rights Grant Contract entered into between the State Owned Land Administration Office of Guangzhou and 廣州市宏錦房地產開發有限公司, the land use rights of the property was agreed to be granted to 廣州市宏錦房地產開發有限公司 in a consideration of RMB735,000,000 for a term of 70 years for residential purposes commencing on the issue date of Land Use Rights Certificate.
- ii. According to a Construction Land Use Planning Permit dated 18 April 2008, the proposed property satisfied the town planning requirements and 廣州市宏錦房地產開發有限公司 has been permitted to proceed with the land requisition.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州市宏錦房地產開發有限公司 under a Land Use Rights Grant Contract and a Supplemental Land Use Rights Grant Contract.
 - b. There is no legal impediment for 廣州市宏錦房地產開發有限公司 to obtain State-owned Land Use Rights Certificate when the consideration payable under the Land Use Rights Grant Contract has been settled in full.
- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB																
13.	Land Parcels Lots 0401078 and 0401079 South of Beihuan Road Pengjiang District Jiangmen (江門地塊) Guangdong Province The PRC	<p>The property comprises two parcels of development lands (the "Lands") with total land area of approximately 187,865.4 square metres on which a residential and commercial complex is proposed to be developed.</p> <p>The total gross floor area of the property will be approximately 432,147 square metres. The property will be developed into three phases.</p> <p>The construction of Phase I, with total gross floor area of 195,141 square metres has been commenced in June 2010. Detailed breakdown of Phase I is shown as follows:</p> <table border="1" data-bbox="542 940 949 1176"> <thead> <tr> <th>Use</th> <th>No. of Blocks</th> <th>No. of Storeys</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>18</td> <td>11-31</td> <td>190,711</td> </tr> <tr> <td>Commercial</td> <td><u>1</u></td> <td>3</td> <td><u>4,430</u></td> </tr> <tr> <td>Total:</td> <td><u>19</u></td> <td></td> <td><u>195,141</u></td> </tr> </tbody> </table> <p>As advised by the Company, Phase I will be completed in 2012. Construction of the remaining phases is targeted to be commenced in next 5 years.</p> <p>The property is held two sets of State-owned Land Use Rights Certificate for a term expiring on 1 September 2079 for residential use and 1 September 2049 for commercial use.</p>	Use	No. of Blocks	No. of Storeys	Gross Floor Area (sq.m.)	Residential	18	11-31	190,711	Commercial	<u>1</u>	3	<u>4,430</u>	Total:	<u>19</u>		<u>195,141</u>	<p>As at the date of valuation, construction of Phase I was in progress.</p> <p>(95.00% interest attributable to the Group: 971,850,000)</p>	1,023,000,000
Use	No. of Blocks	No. of Storeys	Gross Floor Area (sq.m.)																	
Residential	18	11-31	190,711																	
Commercial	<u>1</u>	3	<u>4,430</u>																	
Total:	<u>19</u>		<u>195,141</u>																	

Notes:

- i. According to two sets of State-owned Land Use Rights Certificate date between 16 September 2009, the land use rights of the Lands is held by 江門越秀城建房地產開發有限公司 (Jiangmen Yuexiu) for a term expiring on 1 September 2079 for residential use and 1 September 2049 for commercial use.
- ii. According to two sets of Construction Land Use Planning Permit dated 29 October 2009, the proposed property satisfied the town planning requirements and Jiangmen Yuexiu has been permitted to proceed with the land requisition.
- iii. According to 15 sets of Construction Works Planning Permit and 14 sets of Construction Works Commencement Permit, Jiangmen Yuexiu has been permitted to construct Phase I of the property with total gross floor area of 195,141 square metres on the Lands.

- iv. Approximately RMB7,000,000 of construction costs reflecting the physical state of the construction on site of Phase I was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of Phase I upon satisfactory completion is estimated to be approximately RMB950,000,000 and the estimated outstanding cost to complete the construction for Phase I is approximately RMB305,000,000 as at the date of valuation.
- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Jiangmen Yuexiu under 2 sets of Land Use Rights Certificate for a term expiring on 1 September 2079 for residential use and 1 September 2049 for commercial use.
 - b. During the land use rights term, Jiangmen Yuexiu has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.
 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB												
14.	Land Parcel Lot 3706020050070048000 South of Zhichu Road, East of Chufeng Six Street and North of Fenghuangtai Road Zhifu District Yantai (煙台地塊) Shandong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 82,250 square metres on which a commercial complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 219,870 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>115,500</td> </tr> <tr> <td>Commercial</td> <td>32,000</td> </tr> <tr> <td>Ancillary</td> <td>6,500</td> </tr> <tr> <td>Basement</td> <td><u>65,870</u></td> </tr> <tr> <td>Total:</td> <td><u>219,870</u></td> </tr> </tbody> </table> <p>The property is held under a Land Use Rights Grant Contract for a term of 70 years for residential, 40 years for commercial purposes and 50 years for other purposes commencing on 26 August 2010.</p>	Use	Gross Floor Area Square metres	Residential	115,500	Commercial	32,000	Ancillary	6,500	Basement	<u>65,870</u>	Total:	<u>219,870</u>	As at the date of valuation, the property was vacant.	269,000,000 (95.00% interest attributable to the Group: 255,550,000)
Use	Gross Floor Area Square metres															
Residential	115,500															
Commercial	32,000															
Ancillary	6,500															
Basement	<u>65,870</u>															
Total:	<u>219,870</u>															

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 26 August 2010 entered into between the Land Resources Bureau of Yantai and 烟台越秀地產開發有限公司("Yantai Yuexiu"), the land use rights of the Land was agreed to be granted to Yantai Yuexiu in a consideration of RMB260,000,000 for a term of 70 years for residential, 40 years for commercial purposes and 50 years for other purposes commencing on 26 August 2010.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Yantai Yuexiu under a Land Use Rights Grant Contract.
 - b. There is no legal impediment for Yantai Yuexiu to obtain State-owned Land Use Rights Certificate when the consideration payable under the Land Use Rights Grant Contract has been settled in full.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- iv. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
15.	Land Parcel Lot G26-09-0369 Zhu Xiu Yuan Southern District Zhongshan (中山南區地塊) Guangdong Province The PRC	<p>The property comprises three parcels of development lands (the "Lands") with total land area of approximately 167,188 square metres on which a residential complex is proposed to be developed.</p> <p>As advised by the Company, the total gross floor area of the property will be approximately 417,551 square metres.</p> <p>The property is held under three sets of State-owned Land Use Rights Certificate for a term expiring on 15 March 2080 for residential use.</p>	<p>As at the date of valuation, the property was vacant.</p>	<p>562,000,000</p> <p>(95.00% interest attributable to the Group: 533,900,000)</p>

Notes:

- i. According to three sets of State-owned Land Use Rights Certificate date 10 May 2010, the land use rights of the Lands is held by 中山市越秀地產開發有限公司 (Zhongshan Yuexiu) for a term expiring on 15 March 2080 for residential use.
- ii. According to two sets of Construction Land Use Planning Permit dated 7 May 2010, the proposed property satisfied the town planning requirements and Zhongshan Yuexiu has been permitted to proceed with the land requisition.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Zhongshan Yuexiu under 3 sets of Land Use Rights Certificate for a term expiring on 15 March 2080 for residential use.
 - b. During the land use rights term, Zhongshan Yuexiu has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
16.	Land Parcel No. 32 Qi Guan Road West Shi Qi District Zhongshan (中山岐關地塊) Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with land area of approximately 24,048 square metres on which a residential complex is proposed to be developed.</p> <p>As advised by the Company, the total gross floor area of the property will be approximately 115,429 square metres.</p> <p>The property is held under three sets of State-owned Land Use Rights Certificate for a term expiring on 15 April 2063 for residential use.</p>	As at the date of valuation, the property was vacant.	305,000,000 (100.00% interest attributable to the Group: 305,000,000)

Notes:

- i. According to a State-owned Land Use Rights Certificate date 21 June 2010, the land use rights of the Land is held by 中山越星房地產開發有限公司 (Zhongshan Yuexing) for a term expiring on 15 April 2063 for residential use.
- ii. According to a Construction Land Use Planning Permit dated 11 February 2010, the proposed property satisfied the town planning requirements and Zhongshan Yuexing has been permitted to proceed with the land requisition.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Zhongshan Yuexiu under a Land Use Rights Certificate for a term expiring on 15 April 2063 for residential use.
 - b. During the land use rights term, Zhongshan Yuexiu has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
- iv. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- v. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>																
17.	Guangzhou International Finance Centre (廣州國際金融中心) No. 5 Zhujiang Road West Tian He District Guangzhou Guangdong Province The PRC	Guangzhou International Finance Centre comprises a parcel of land with land area of approximately 27,508 square metres on which a block of 103-storey office/hotel building, two blocks of 28-storey serviced apartment with 6-storey podium and 4 basement levels of commercial units and car parking spaces were built. The total gross floor area of the development will be approximately 445,819 square metres Detailed breakdown as follows:	As at the date of valuation, the construction of the buildings had been completed and was undergoing interior decoration.	4,901,000,000 (99.00% interest attributable to the Group: 4,851,990,000)																
		<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area <i>Square metres</i></th> </tr> </thead> <tbody> <tr> <td>Commercial (1/F – 5F/ and -1/F)</td> <td>44,709</td> </tr> <tr> <td>Office</td> <td>186,535</td> </tr> <tr> <td>Hotel</td> <td>92,568</td> </tr> <tr> <td>Apartment</td> <td>51,708</td> </tr> <tr> <td>Car Park (-2/F – -4/F)</td> <td>21,288</td> </tr> <tr> <td>Ancillary</td> <td><u>49,011</u></td> </tr> <tr> <td>Total:</td> <td><u><u>445,819</u></u></td> </tr> </tbody> </table>	Use	Gross Floor Area <i>Square metres</i>	Commercial (1/F – 5F/ and -1/F)	44,709	Office	186,535	Hotel	92,568	Apartment	51,708	Car Park (-2/F – -4/F)	21,288	Ancillary	<u>49,011</u>	Total:	<u><u>445,819</u></u>		
Use	Gross Floor Area <i>Square metres</i>																			
Commercial (1/F – 5F/ and -1/F)	44,709																			
Office	186,535																			
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Apartment	51,708																			
Car Park (-2/F – -4/F)	21,288																			
Ancillary	<u>49,011</u>																			
Total:	<u><u>445,819</u></u>																			
		As at the date of valuation, the construction of the buildings had been completed and was undergoing interior decoration. As advised by the Company, the property will be completed before end of 2010.																		
		The property is held under a State-owned Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purpose and 50 years for others purpose commencing on 23 June 2008.																		

Notes:

- i. According to a State-owned Land Use Rights Certificate date 23 June 2008, the land use rights of the land is held by 廣州越秀城建國際金融中心有限公司 (“Guangzhou Construction IFC”) for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purpose and 50 years for others purpose commencing on 23 June 2008.
- ii. According to a Construction Land Use Planning Permit dated 10 May 2006, the proposed property satisfied the town planning requirements and Guangzhou Construction IFC has been permitted to proceed with the land requisition.
- iii. According to a Construction Works Planning Permit and a Construction Works Commencement Permit dated 26 January 2007 and 28 June 2007 respectively, Guangzhou Construction IFC has been permitted to construct the property and to commence construction of the property on the land.
- iv. Approximately RMB4,354,600,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB8,452,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB2,481,000,000 as at the date of valuation.
- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction IFC under a Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purpose and 50 years for others purpose commencing on 23 June 2008.
 - b. During the land use rights term, Guangzhou Construction IFC has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the building have been obtained yet.
 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
- vii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- viii. The property is subject to a mortgage in favour of the Guangzhou Rural Credit Cooperatives, the Guangzhou Branch of Shanghai Pudong Development Bank, the Guangzhou Yangcheng Branch of Agricultural Bank of China and the Guangdong Province branch of Bank of China.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB												
18.	Land Parcel Lot E3-1 of Zhujiang New Town (珠江新城E3-1地块) Tian He District Guangzhou Guangdong Province The PRC	The property comprises a development land (the "Land") with an area of approximately 18,628 square metres on which a residential complex is proposed to be developed. The total gross floor area of the property is approximately 185,932 square metres. Detailed breakdown as follows:	As at the date of valuation, the property was under construction.	1,597,000,000 (95.00% interest attributable to the Group: 1,517,150,000)												
		<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>120,657</td> </tr> <tr> <td>Commercial</td> <td>24,263</td> </tr> <tr> <td>Ancillary</td> <td>5,664</td> </tr> <tr> <td>Basement</td> <td><u>35,348</u></td> </tr> <tr> <td>Total:</td> <td><u>185,932</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	120,657	Commercial	24,263	Ancillary	5,664	Basement	<u>35,348</u>	Total:	<u>185,932</u>		
Use	Gross Floor Area Square metres															
Residential	120,657															
Commercial	24,263															
Ancillary	5,664															
Basement	<u>35,348</u>															
Total:	<u>185,932</u>															
		As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in June 2011.														
		The property is held under a State-owned Land Use Rights Certificate for a term of 70 years for residential purposes commencing on 28 March 2007.														

Notes:

- i. According to a State-owned Land Use Rights Certificate date 3 April 2007, the land use rights of the Land is held by Guangzhou Construction for a term of 70 years for residential purposes commencing on 28 March 2007.
- ii. According to a Construction Land Use Planning Permit dated 28 February 2006, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. According to two sets of Construction Works Planning Permit and a Construction Works Commencement Permit dated between 14 July 2007 and 23 October 2007, Guangzhou Construction has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB807,800,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB2,747,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB587,000,000 as at the date of valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Certificate for a term of 70 years for residential purposes commencing on 28 March 2007.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.
 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
19.	Land Parcels Lots 12-1 and 12-5 (天河商旅12-1, 12-5地塊 — 亞太世紀廣場) North of Tianhe Road North and East of Linhe Road East Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises two parcels of development land (the “Lands”) with total land area of approximately 22,592 square metres on which a residential complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 231,974 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>196,273</td> </tr> <tr> <td>Basement</td> <td><u>35,701</u></td> </tr> <tr> <td>Total:</td> <td><u>231,974</u></td> </tr> </tbody> </table> <p>As advised by the Company, the construction of the property has been commenced in 2005 but suspended as at the date of valuation. There is currently no plan for the resumption of construction.</p> <p>The property is held under two sets of State-owned Land Use Rights Certificate for a term of 40 years for residential purposes commencing on 27 August 1998 and 24 July 1995 respectively.</p>	Use	Gross Floor Area Square metres	Office	196,273	Basement	<u>35,701</u>	Total:	<u>231,974</u>	<p>As at the date of valuation, construction of the property has currently been suspended.</p>	<p>869,000,000</p> <p>(interest attributable to the Group: 853,400,000)</p> <p>(see footnote ii)</p>
Use	Gross Floor Area Square metres											
Office	196,273											
Basement	<u>35,701</u>											
Total:	<u>231,974</u>											

Notes:

- i. According to two sets of State-owned Land Use Rights Certificate dated 22 November 2002 and 9 October 2003, the land use rights of the Land is held by Guangzhou Construction and 廣州宏城發展有限公司 (“Grandcity”) for a term of 40 years for residential purposes commencing on 27 August 1998 and 24 July 1995 respectively.
- ii. Lot 12-5 is held by Guangzhou Construction (a 95% owned subsidiary of the Company) while Lot 12-1 is held by Grandcity (a wholly owned subsidiary of the Company).
- iii. According to two sets of Construction Land Use Planning Permit dated 9 September 1996 and 19 September 1997, the proposed property satisfied the town planning requirements and Guangzhou Construction and Grandcity has been permitted to proceed with the land requisition.
- iv. According to two sets of Construction Works Planning Permit and a Construction Works Commencement Permit dated between 24 October 2005 and 16 August 2006, Guangzhou Construction and Grandcity has been permitted to construct the property and to commence construction of the property on the Land.

- v. Approximately RMB196,000,000 of construction costs reflecting the physical state of the construction on site was incurred as at the date of valuation. The incurred cost has already been taken into account in the valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction and Grandcity under 2 sets of Land Use Rights Certificate for a term of 40 years for residential purposes commencing on 27 August 1998 and 24 July 1995 respectively.

 - b. During the land use rights term, Guangzhou Construction and Grandcity has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.

 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.

- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.

- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB												
20.	Land Parcel Lot D3-7 of Zhujiang New Town (珠江新城D3-7) Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 10,628 square metres on which a residential complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 134,399 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>9,615</td> </tr> <tr> <td>Office</td> <td>96,650</td> </tr> <tr> <td>Ancillary</td> <td>2,379</td> </tr> <tr> <td>Basement</td> <td><u>25,755</u></td> </tr> <tr> <td>Total:</td> <td><u>134,399</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Commercial	9,615	Office	96,650	Ancillary	2,379	Basement	<u>25,755</u>	Total:	<u>134,399</u>	As at the date of valuation, the property was under construction.	449,000,000 (100.00% interest attributable to the Group: 449,000,000)
Use	Gross Floor Area Square metres															
Commercial	9,615															
Office	96,650															
Ancillary	2,379															
Basement	<u>25,755</u>															
Total:	<u>134,399</u>															
		<p>As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in September 2013.</p> <p>The property is held under a State-owned Land Use Rights Certificate for a term of 40 years for commercial purposes commencing on 7 May 2008.</p>														

Notes:

- i. According to a State-owned Land Use Rights Certificate date 12 May 2008, the land use rights of the Land is held by Grandcity for a term of 40 years for commercial purposes commencing on 7 May 2008.
- ii. According to a Construction Land Use Planning Permit dated 26 July 2007, the proposed property satisfied the town planning requirements and Grandcity has been permitted to proceed with the land requisition.
- iii. According to two sets of Construction Works Planning Permit and a Construction Works Commencement Permit dated between 23 April 2009 and 18 August 2009, Grandcity has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB66,500,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB1,521,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB672,000,000 as at the date of valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Grandcity under a Land Use Rights Certificate for a term of 40 years for commercial purposes commencing on 7 May 2008.
 - b. During the land use rights term, Grandcity has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

- iv. Approximately RMB655,900,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB2,626,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB305,000,000 as at the date of valuation.
- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Certificate for a term of 70 years for residential purposes commencing on 6 September 2000.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.
 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB														
22.	Land Parcels Lots 4-5, 6 and Zone 7 of Phase III of Jiang Nan New Village (江南新村三期4-5、6 及七區) West of Jiang Nan Road Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises two parcels of development lands (the "Lands") with total land area of approximately 25,025 square metres on which a residential complex is proposed to be developed. The total gross floor area of the property is approximately 79,409 square metres. Detailed breakdown as follows:	As at the date of valuation, the property was under construction.	214,000,000 (95.00% interest attributable to the Group: 203,300,000)														
		<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>59,175</td> </tr> <tr> <td>Commercial</td> <td>1,040</td> </tr> <tr> <td>Ancillary</td> <td>2,719</td> </tr> <tr> <td>Others</td> <td>2,193</td> </tr> <tr> <td>Basement</td> <td><u>14,282</u></td> </tr> <tr> <td>Total:</td> <td><u>79,409</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	59,175	Commercial	1,040	Ancillary	2,719	Others	2,193	Basement	<u>14,282</u>	Total:	<u>79,409</u>		
Use	Gross Floor Area Square metres																	
Residential	59,175																	
Commercial	1,040																	
Ancillary	2,719																	
Others	2,193																	
Basement	<u>14,282</u>																	
Total:	<u>79,409</u>																	
		As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in July 2012.																
		The property is held under two sets of State-owned Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 19 April 1999.																

Notes:

- i. According to two sets of State-owned Land Use Rights Certificate dated 4 September 2008, the land use rights of the Land is held by Guangzhou Construction for a term of 70 years for residential purpose commencing on 19 April 1999.
- ii. According to two sets of Construction Land Use Planning Permit dated between 5 June 2003 and 10 November 2003, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. According to two sets of Construction Works Planning Permit and three sets of Construction Works Commencement Permit dated between 31 May 2009 and 28 December 2009, Guangzhou Construction has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB62,500,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.

- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB662,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB209,000,000 as at the date of valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under two sets of Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 19 April 1999.

 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.

 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.

 - e. The property is subject to a mortgage.

- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.

- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
23.	Land Parcel Blocks 17 to 22 Springland Garden (翠城花園17-22棟項目) Cui Cheng Street Hai Zhu District Guangzhou Guangdong Province The PRC	Springland Garden is a residential development with a total planned gross floor area of approximately 600,000 square metres built upon a parcel of land with an area of approximately 113,748 square metres. Springland Garden has been developed in Phases since 2002. The property comprises 6 blocks of residential building under development having a total planned gross floor area of approximately 165,047 square metres. Detailed breakdown as follows: <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>144,081</td> </tr> <tr> <td>Basement</td> <td><u>20,966</u></td> </tr> <tr> <td>Total:</td> <td><u>165,047</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	144,081	Basement	<u>20,966</u>	Total:	<u>165,047</u>	As at the date of valuation, the property was under construction.	1,060,000,000 (100.00% interest attributable to the Group: 1,060,000,000)
Use	Gross Floor Area Square metres											
Residential	144,081											
Basement	<u>20,966</u>											
Total:	<u>165,047</u>											
		As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in May 2011. The property is held under a State-owned Land Use Rights Certificate for a term of 70 years for residential purposes commencing on 28 June 2002.										

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 24 August 2007, the land use rights of the Land is held by 廣州市祥港房地產開發有限公司 (“Charcon”) for a term of 70 years for residential purposes commencing on 28 June 2002.
- ii. According to a Construction Land Use Planning Permit, the proposed property satisfied the town planning requirements and Charcon has been permitted to proceed with the land requisition.
- iii. According to a Construction Works Planning Permit and a Construction Works Commencement Permit dated between 22 May 2008 and 21 July 2008, Charcon has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB347,200,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.

- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB1,845,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB231,000,000 as at the date of valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Charcon under a Land Use Rights Certificate for a term of 70 years for residential purposes commencing on 28 June 2002.

 - b. During the land use rights term, Charcon has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.

 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.

- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.

- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB										
24.	Land Parcel Lot 3-6, 8, 9 of Phase IV of Jiang Nan New Village (江南新村四期3-6.8.9 地块) West of Jiangnan Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 9,248 square metres on which a residential complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 22,111 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>7,835</td> </tr> <tr> <td>Ancillary</td> <td>4,076</td> </tr> <tr> <td>Basement</td> <td><u>10,200</u></td> </tr> <tr> <td>Total:</td> <td><u>22,111</u></td> </tr> </tbody> </table> <p>As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in July 2012.</p> <p>The property is held under a State-owned Land Use Rights Certificate for a term of 70 years for residential purposes commencing on 19 April 1999.</p>	Use	Gross Floor Area Square metres	Residential	7,835	Ancillary	4,076	Basement	<u>10,200</u>	Total:	<u>22,111</u>	As at the date of valuation, the property was under construction.	71,000,000 (95.00% interest attributable to the Group: 67,450,000)
Use	Gross Floor Area Square metres													
Residential	7,835													
Ancillary	4,076													
Basement	<u>10,200</u>													
Total:	<u>22,111</u>													

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 10 June 2009, the land use rights of the Land is held by Guangzhou Construction for a term of 70 years for residential purposes commencing on 19 April 1999.
- ii. According to a Construction Land Use Planning Permit dated 26 January 2005, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. According to a Construction Works Planning Permit and a Construction Works Commencement Permit dated between 26 December 2009 and 8 March 2010, Guangzhou Construction has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB9,300,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB136,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB48,000,000 as at the date of valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Certificate for a term of 70 years for residential purposes commencing on 19 April 1999.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.
 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
 - e. The property is subject to a mortgage.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB														
25.	Land Parcels Lots DS1601, 1102, 1604, 1703 of Guangzhou University City (廣州大學城DS1601, 1102, 1604, 1703地塊) Xiao Gu Wei Island Panyu District Guangzhou Guangdong Province The PRC	The property comprises 4 parcels of development lands (the "Lands") with total land area of approximately 46,576 square metres on which a residential complex is proposed to be developed. The total gross floor area of the property is approximately 221,895 square metres. Detailed breakdown as follows:	As at the date of valuation, the property was under construction.	1,172,000,000 (95.00% interest attributable to the Group: 1,113,400,000)														
		<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>141,692</td> </tr> <tr> <td>Commercial</td> <td>77</td> </tr> <tr> <td>Ancillary</td> <td>2,964</td> </tr> <tr> <td>Others</td> <td>8,931</td> </tr> <tr> <td>Basement</td> <td><u>68,231</u></td> </tr> <tr> <td>Total:</td> <td><u>221,895</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	141,692	Commercial	77	Ancillary	2,964	Others	8,931	Basement	<u>68,231</u>	Total:	<u>221,895</u>		
Use	Gross Floor Area Square metres																	
Residential	141,692																	
Commercial	77																	
Ancillary	2,964																	
Others	8,931																	
Basement	<u>68,231</u>																	
Total:	<u>221,895</u>																	
		As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in 2012.																
		The property is held under 4 sets of State-owned Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 16 January 2010 and 20 March 2010 respectively.																

Notes:

- i. According to 4 sets of State-owned Land Use Rights Certificate dated between 9 December 2009 and 15 December 2009, the land use rights of the Land is held by Guangzhou Construction for a term of 70 years for residential purpose commencing on 16 January 2010 and 20 March 2010 respectively.
- ii. According to 4 sets of Construction Land Use Planning Permit dated between 12 October 2009 and 7 January 2010, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. According to 4 sets of Construction Works Planning Permit dated between 21 May 2010 and 30 June 2010, Guangzhou Construction has been permitted to construct the property on the Lands.

- iv. Approximately RMB135,600,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB2,410,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB863,000,000 as at the date of valuation.
- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 4 sets of Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 16 January 2010 and 20 March 2010 respectively.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB												
26.	Land Parcel Fortune World Plaza Project (財富天地廣場項目) Xiwan Road Li Wan District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the “Land”) with an area of approximately 185,799 square metres on which a commercial and residential complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 492,445 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>174,346</td> </tr> <tr> <td>Commercial</td> <td>154,253</td> </tr> <tr> <td>Ancillary</td> <td>683</td> </tr> <tr> <td>Basement</td> <td><u>163,163</u></td> </tr> <tr> <td>Total:</td> <td><u>492,445</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	174,346	Commercial	154,253	Ancillary	683	Basement	<u>163,163</u>	Total:	<u>492,445</u>	As at the date of valuation, the property was under construction.	2,742,000,000 (97.55% interest attributable to the Group: 2,674,821,000)
Use	Gross Floor Area Square metres															
Residential	174,346															
Commercial	154,253															
Ancillary	683															
Basement	<u>163,163</u>															
Total:	<u>492,445</u>															
		<p>As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in before 2014.</p> <p>The property is held under a State-owned Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purpose and 50 years for others purpose commencing on 11 December 2008.</p>														

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 16 December 2008, the land use rights of the Land is held by 廣州市越匯房地產開發有限公司 (“Guangzhou Yuehui”) for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purpose and 50 years for others purpose commencing on 11 December 2008.
- ii. According to a Construction Land Use Planning Permit dated 13 March 2008, the proposed property satisfied the town planning requirements and Guangzhou Yuehui has been permitted to proceed with the land requisition.

- iii. According to two sets of Construction Works Planning Permit and two sets of Construction Works Commencement Permit dated between 25 June 2008 and 16 November 2009, Guangzhou Yuehui has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB1,339,600,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB5,083,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB1,615,000,000 as at the date of valuation.
- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Yuehui under a Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purpose and 50 years for others purpose commencing on 11 December 2008.
 - b. During the land use rights term, Guangzhou Yuehui has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.
 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
 - e. The property is subject to a mortgage.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
27.	Land Parcel Huadu Project (花都地塊) Huadong Town Huadu District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 83,882.01 square metres on which a residential complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 93,428.74 square metres.</p> <p>As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in August 2012.</p> <p>The property is held under a State-owned Land Use Rights Certificate for a term expiring on 2 December 2063 for residential use.</p>	As at the date of valuation, the property was under construction.	66,000,000 (100.00% interest attributable to the Group: 66,000,000)

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 18 June 2008, the land use rights of the Land is held by 廣州祥荷房地產開發有限公司 ("Guangzhou Charho") for a term expiring on 2 December 2063 for residential use.
- ii. According to a Construction Land Use Planning Permit dated 26 May 1993, the proposed property satisfied the town planning requirements and Guangzhou Charho has been permitted to proceed with the land requisition.
- iii. According to a Construction Works Planning Permit and a Construction Works Commencement Permit dated between 11 May 2010 and 24 June 2010, Guangzhou Charho has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB19,300,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB227,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB130,000,000 as at the date of valuation.
- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Charho under a Land Use Rights Certificate for a term expiring on 2 December 2063 for residential use.
 - b. During the land use rights term, Guangzhou Charho has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

- c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.
- d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
28.	Land Parcels Zone B and F of Conghua Glade Village (逸泉山莊小B·F區地塊) Jiekou Street Conghua District Guangzhou Guangdong Province The PRC	The property comprises 6 parcels of development lands (the "Lands") with total land area of approximately 109,857 square metres on which a commercial and residential complex is proposed to be developed. The total gross floor area of the property is approximately 150,477 square metres. Detailed breakdown as follows:	As at the date of valuation, the property was under construction.	341,000,000 (95.00% interest attributable to the Group: 323,950,000)								
		<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>126,400</td> </tr> <tr> <td>Basement</td> <td><u>24,077</u></td> </tr> <tr> <td>Total:</td> <td><u>150,477</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	126,400	Basement	<u>24,077</u>	Total:	<u>150,477</u>		
Use	Gross Floor Area Square metres											
Residential	126,400											
Basement	<u>24,077</u>											
Total:	<u>150,477</u>											
		As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed in 2011.										
		The property is held under 6 sets of State-owned Land Use Rights Certificate for the latest term expiring on 9 October 2075 for residential and ancillary use.										

Notes:

- i. According to 6 sets of State-owned Land Use Rights Certificate dated between 19 September 2000 and 15 February 2006, the land use rights of the Lands is held by 廣州城建開發景城房地產有限公司 ("Guangzhou Jingcheng") for the latest term expiring on 9 October 2075 for residential and ancillary use.
- ii. According to two sets of Construction Land Use Planning Permit dated between 13 September 2003 and 28 July 2008, the proposed property satisfied the town planning requirements and Guangzhou Jingcheng has been permitted to proceed with the land requisition.
- iii. According to two sets of Construction Works Planning Permit and three sets of Construction Works Commencement Permit dated between 16 June 2005 and 18 December 2009, Guangzhou Jingcheng has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB215,400,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB607,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB206,000,000 as at the date of valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Jingcheng under 6 sets of Land Use Rights Certificate for the latest term expiring on 9 October 2075 for residential and ancillary use.
 - b. During the land use rights term, Guangzhou Jingcheng has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.
 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB														
29.	Land Parcels Lots B3709B07 and B3709B08 Zone B of Jin Sha Zhou (金沙洲B3709B07, B3709B08地塊) Bai Yun District Guangzhou Guangdong Province The PRC	<p>The property comprises two parcels of development lands (the "Lands") with total land area of approximately 89,839 square metres on which a residential complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 188,778 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>132,419</td> </tr> <tr> <td>Commercial</td> <td>4,816</td> </tr> <tr> <td>Ancillary</td> <td>2,051</td> </tr> <tr> <td>Others</td> <td>4,656</td> </tr> <tr> <td>Basement</td> <td><u>44,836</u></td> </tr> <tr> <td>Total:</td> <td><u>188,778</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Residential	132,419	Commercial	4,816	Ancillary	2,051	Others	4,656	Basement	<u>44,836</u>	Total:	<u>188,778</u>	As at the date of valuation, the property was under construction.	607,000,000 (100.00% interest attributable to the Group: 607,000,000)
Use	Gross Floor Area Square metres																	
Residential	132,419																	
Commercial	4,816																	
Ancillary	2,051																	
Others	4,656																	
Basement	<u>44,836</u>																	
Total:	<u>188,778</u>																	
		<p>As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed before 2013.</p> <p>The property is held under two sets of State-owned Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 22 September 2009.</p>																

Notes:

- i. According to two sets of State-owned Land Use Rights Certificate dated 27 September 2009, the land use rights of the Land is held by Grandcity for a term of 70 years for residential purpose commencing on 22 September 2009.
- ii. According to two sets of Construction Land Use Planning Permit dated 5 February 2008, the proposed property satisfied the town planning requirements and Grandcity has been permitted to proceed with the land requisition.
- iii. According to 9 sets of Construction Works Planning Permit and three sets of Construction Works Commencement Permit dated between 29 April 2010 and 8 July 2010, Grandcity has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB59,300,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.

- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB1,557,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB685,000,000 as at the date of valuation.

- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Grandcity under two set of Land Use Rights Certificate for a term of 70 years for residential purpose commencing on 22 September 2009.

 - b. During the land use rights term, Grandcity has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.

 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.

- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.

- viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
30.	Land Parcel Er Sha Yu Lian Project (二沙羽聯) Er Sha District 11 Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 5,966 square metres on which a sports complex is proposed to be developed.</p> <p>The total gross floor area of the property is approximately 14,215 square metres.</p> <p>As at the valuation date, construction of the property is in progress. As advised by the Company, the property will be completed before end of 2010.</p> <p>The property is held under a State-owned Land Use Rights Certificate for a term of 40 years for commercial, tourism and entertainment purpose commencing on 30 October 2008.</p>	As at the date of valuation, the property was under construction.	30,000,000 (95.00% interest attributable to the Group: 28,500,000)

Notes:

- i. According to a State-owned Land Use Rights Certificate dated 26 May 2009, the land use rights of the Land is held by Guangzhou Construction for a term of 40 years for commercial, tourism and entertainment purpose commencing on 30 October 2008.
- ii. According to a Construction Land Use Planning Permit dated 15 August 2007, the proposed property satisfied the town planning requirements and Guangzhou Construction has been permitted to proceed with the land requisition.
- iii. According to a Construction Works Planning Permit and a Construction Works Commencement Permit dated between 19 January 2009 and 30 June 2009, Guangzhou Construction has been permitted to construct the property and to commence construction of the property on the Land.
- iv. Approximately RMB21,000,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- v. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB38,800,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB9,900,000 as at the date of valuation.
- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Land Use Rights Certificate for a term of 40 years for commercial, tourism and entertainment purpose commencing on 30 October 2008.

- b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.
 - c. No Construction Project Planning Inspection and Clearance Certificate or Real Estate Titleship Confirmation of the buildings have been obtained yet.
 - d. According to the principle of integration of land and building, the construction-in-progress is deemed to belong to the owner of the land use rights of the land in which it is situated on.
 - e. The property is subject to a mortgage.
-
- vii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
 - viii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
31.	Land Parcel Lot B2-7 Zhujiang New Town (珠江新城B2-7地塊) Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises a development land (the "Land") with an area of approximately 6,252 square metres on which a commercial complex is proposed to be developed.</p> <p>As advised by the Company, the total gross floor area of the property will be approximately 155,731 square metres.</p> <p>The property is held under a land use rights grant contract for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purposes and 50 years for other purpose commencing on the issue date of Land Use Rights Certificate.</p>	As at the date of valuation, the property was under construction.	<p>1,029,000,000</p> <p>(32.30% interest attributable to the Group: 332,367,000)</p>

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 17 October 2005 entered into between the Land Resources Bureau of Guangzhou and Guangzhou Construction, the land use rights of the land was agreed to be granted to Guangzhou Construction for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purposes and 50 years for other purpose commencing on the issue date of Land Use Rights Certificate.
- ii. Approximately RMB317,000,000 of construction costs reflecting the physical state of the construction on site of the property was incurred. The incurred cost has already been taken into account in the valuation.
- iii. The gross development value of the property upon satisfactory completion is estimated to be approximately RMB1,471,000,000 and the estimated outstanding cost to complete the construction for the property is approximately RMB173,000,000 as at the date of valuation.
- iv. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州昊和置業有限公司 under a Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial, tourism and entertainment purpose and 50 years for other purpose.
 - b. During the land use rights term, 廣州昊和置業有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

- v. Guangzhou Construction holds 34% interest in 廣州昊和置業有限公司.
- vi. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively.
- vii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

Group II — Property Interests Held for Investment

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB										
32.	Guang Yuan Cultural Centre (廣源文化中心) No. 33 Jing Tai Zhi Street Bai Yun District Guangzhou Guangdong Province The PRC	The property comprises a 5-storey commercial building with 2 basement levels of car parking spaces completed in December 1996. The gross floor area of the property is approximately 32,004 square metres. Detailed breakdown as follows: <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>18,585</td> </tr> <tr> <td>Ancillary</td> <td>2,096</td> </tr> <tr> <td>Car Park</td> <td><u>11,323</u></td> </tr> <tr> <td>Total:</td> <td><u>32,004</u></td> </tr> </tbody> </table> See footnote (i) for the land use right term.	Use	Gross Floor Area Square metres	Commercial	18,585	Ancillary	2,096	Car Park	<u>11,323</u>	Total:	<u>32,004</u>	As at the date of valuation, the property was occupied and used as a shopping center (Level 1 to Level 3: supermarket, Level 4: department store, Level 5: recreation) while the basement was occupied for car parking purpose. The property was leased to various tenants at a total monthly rent of approximately RMB966,734 for June 2010 with the latest term expiring on 30 November 2015. The car parking spaces were leased on hourly basis.	186,000,000 (95.00% interest attributable to the Group: 176,700,000)
Use	Gross Floor Area Square metres													
Commercial	18,585													
Ancillary	2,096													
Car Park	<u>11,323</u>													
Total:	<u>32,004</u>													

Notes:

- i. We have assumed that the property is held for a term of 40 years for commercial purpose and 50 years for car parking purpose from the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. No title document has been obtained for the property. However, Guangzhou Construction and 廣州市永恆城市實業有限公司 has obtained a Construction Project Planning Inspection and Clearance Certificate, there is no legal impediment for the application of title confirmation or Property Ownership Certificate by Guangzhou Construction and 廣州市永恆城市實業有限公司.
 - b. Guangzhou Construction and 廣州市永恆城市實業有限公司 are the beneficial owners of the property.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
33.	Levels 1 and 2 of Blocks 6-11, 12 Guang Yuan Xin Cun (廣源新村) Junction of Jing Tai Zhi Street and Guang Yuan Zhong Road Bai Yun District Guangzhou Guangdong Province The PRC	The property comprises 2 levels of shop spaces within a multi-storey building completed in September 1989. The gross floor area of the property is approximately 1,132 square metres. See footnote (ii) for the land use right term.	As at the date of valuation, the property was leased to a tenant who occupied the property as a supermarket at a monthly rent of approximately RMB5,662 for June 2010 with a term expiring on 31 May 2013.	7,200,000 (95.00% interest attributable to the Group: 6,840,000)

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Guangzhou Construction.
- ii. We have assumed that the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
34.	Level 1 of Block 1 and Levels 1 and 2 of Blocks 12 and 14 Luo Chong Wei (羅沖圍) Bai Yun District Guangzhou Guangdong Province The PRC	<p>The property comprises various retailing units within three 6-storey buildings completed in August 1989.</p> <p>The gross floor area of the property is approximately 2,642 square metres.</p> <p>The property is held under 4 sets of Property Ownership Certificate and a sales and purchases agreement.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 2,604 square metres was leased to 2 tenants at a total monthly rent of approximately RMB47,497 for June 2010 with the latest term expiring on 31 May 2013. The rest of the property remains vacant.</p>	<p>11,100,000</p> <p>(95.00% interest attributable to the Group: 10,545,000)</p>

Notes:

- i. As specified in 4 sets of Property Ownership Certificate and a sales and purchases agreement, the property interest is held by Guangzhou Construction.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 4 sets of Property Ownership Certificate and a sales and purchases agreement.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
35.	Level 1 Blocks 4-11, 12 Tong De Garden (同德花園) Xi Cha Road Tong Ya Street Bai Yun District Guangzhou Guangdong Province The PRC	<p>The property comprises 2 commercial units within 2 blocks of 9-storey commercial/residential buildings completed in 1997.</p> <p>The total gross floor area of the property is approximately 1,275 square metres.</p> <p>The property is held for a term of 50 years for commercial purpose commencing on 6 April 1995.</p>	<p>As at the date of valuation, portion of the property was leased at a monthly rent of approximately RMB9,658 for June 2010 with a term expiring on 30 September 2010. The rest of the property remains vacant.</p>	<p>5,900,000</p> <p>(95.00% interest attributable to the Group: 5,605,000)</p>

Notes:

- i. As specified in a Property Ownership Certificate and 2 sets of Real Estate Titleship Confirmation, the property interest is held by Guangzhou Construction.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate and 2 sets of Real Estate Titleship Confirmation.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
36.	Shops on Level 1 to Level 3 and Basement Car Park Blocks 5-1, 2 Huangshi Garden (黄石花园) No. 113 Huang Shi Road East Bai Yun District Guangzhou Guangdong Province The PRC	<p>The property comprises certain shop spaces in a 3-storey commercial podium and 74 basement car parking spaces within a residential development with two blocks of 14-storey residential tower, one of which is a twin tower while another one is a single tower. The development was completed in 1997.</p> <p>The total gross floor area of the property is approximately 13,562 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial (1/F – 3/F)</td> <td>9,998</td> </tr> <tr> <td>Basement (B1 – B2)</td> <td><u>3,564</u></td> </tr> <tr> <td>Total:</td> <td><u>13,562</u></td> </tr> </tbody> </table> <p>The property is held for a term of 40 years for commercial purpose and 50 years for other purposes commencing on 16 June 1994.</p>	Use	Gross Floor Area Square metres	Commercial (1/F – 3/F)	9,998	Basement (B1 – B2)	<u>3,564</u>	Total:	<u>13,562</u>	<p>As at the date of valuation, portion of the commercial spaces with gross floor area of approximately 9,252 square metres was leased to 2 tenants at a total monthly rent of approximately RMB138,794 for June 2010 with the latest term expiring on 30 June 2014. The rest of the commercial spaces remains vacant.</p> <p>The car parking spaces were leased at a monthly rent of approximately RMB11,100 for June 2010 with a term expiring on 31 December 2010.</p>	<p>62,000,000</p> <p>(95.00% interest attributable to the Group: 58,900,000)</p>
Use	Gross Floor Area Square metres											
Commercial (1/F – 3/F)	9,998											
Basement (B1 – B2)	<u>3,564</u>											
Total:	<u>13,562</u>											

Notes:

- i. As specified in a Real Estate Titleship Confirmation dated 20 July 1998 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Guangzhou Construction for a term of 40 years for commercial purpose and 50 years for other purposes commencing on 16 June 1994.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB												
37.	Blocks 5-3 Huangshi Garden (黃石花園) No. 113 Huang Shi Road East Bai Yun District Guangzhou Guangdong Province The PRC	<p>The property comprises a block of 7-storey commercial building with 1 basement level completed in 2007.</p> <p>The total gross floor area of the property is approximately 20,968 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial (1/F – 2/F)</td> <td>4,118</td> </tr> <tr> <td>Car Park (3/F – 5/F)</td> <td>7,317</td> </tr> <tr> <td>Commercial (6/F – 8/F)</td> <td>7,147</td> </tr> <tr> <td>Basement (B1)</td> <td><u>2,386</u></td> </tr> <tr> <td>Total:</td> <td><u>20,968</u></td> </tr> </tbody> </table> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial/tourism/entertainment purposes and 50 years for other purposes commencing on 16 June 1994.</p>	Use	Gross Floor Area Square metres	Commercial (1/F – 2/F)	4,118	Car Park (3/F – 5/F)	7,317	Commercial (6/F – 8/F)	7,147	Basement (B1)	<u>2,386</u>	Total:	<u>20,968</u>	<p>As at the date of valuation, the commercial spaces and portion of the car parking spaces with gross floor area of approximately 18,582 square metres was leased to a tenant at a monthly rent of approximately RMB200,000 for June 2010 with a term expiring on 31 December 2019. The rest of the car parking spaces on basement remain vacant.</p>	<p>88,000,000</p> <p>(95.00% interest attributable to the Group: 83,600,000)</p>
Use	Gross Floor Area Square metres															
Commercial (1/F – 2/F)	4,118															
Car Park (3/F – 5/F)	7,317															
Commercial (6/F – 8/F)	7,147															
Basement (B1)	<u>2,386</u>															
Total:	<u>20,968</u>															

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 18 March 1994, the property interest is held by Guangzhou Construction.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. No title document has been obtained for the property. However, Guangzhou Construction has obtained a Construction Project Planning Inspection and Clearance Certificate, there is no legal impediment for the application of title confirmation or Property Ownership Certificate by Guangzhou Construction.
 - b. Guangzhou Construction is the beneficial owner of the property.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
38.	Xiang Kang Commercial Building (祥康商貿大廈) Nos. 11-21 Guang Hua Yi Road Bai Yun District Guangzhou Guangdong Province The PRC	<p>The property comprises certain office spaces, shop spaces and underground car parking spaces in an 11-storey commercial building completed in 1997.</p> <p>The building is located at the northern side of Xianggang Garden and the southern side of Guang Hua Road.</p> <p>The total gross floor area of the property is approximately 32,223 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Office (B1, 1/F – 11/F)</td> <td>28,862</td> </tr> <tr> <td>Basement (B1 – B2)</td> <td><u>3,361</u></td> </tr> <tr> <td>Total:</td> <td><u>32,223</u></td> </tr> </tbody> </table> <p>The property is held under Property Ownership Certificate.</p>	Use	Gross Floor Area Square metres	Office (B1, 1/F – 11/F)	28,862	Basement (B1 – B2)	<u>3,361</u>	Total:	<u>32,223</u>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 27,607 square metres was leased to various tenants at a total monthly rent of approximately RMB2,362,243 for June 2010 with the latest term expiring on 30 April 2012. The rest of the property remains vacant.</p>	<p>253,800,000</p> <p>(100.00% interest attributable to the Group: 253,800,000)</p>
Use	Gross Floor Area Square metres											
Office (B1, 1/F – 11/F)	28,862											
Basement (B1 – B2)	<u>3,361</u>											
Total:	<u>32,223</u>											

Notes:

- i. As specified in 407 sets of Property Ownership Certificate, the property is held by Charcon for a term of 40 years commencing on 31 January 1991.
- ii. Opinion of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Charcon under 407 sets of Property Ownership Certificate.
 - b. During the land use rights term, Charcon has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
39.	Rooms 701, 801, 901 in South Wing and Room 901 in North Wing Li Yuan Building (利源大厦) East of Bai Yun Airport Bai Yun District Guangzhou Guangdong Province The PRC	The property comprises 4 residential units within a commercial building. The gross floor area of the property is approximately 329 square metres. The property is held under Property Ownership Certificate.	As at the date of valuation, the property was vacant.	1,500,000 (95.00% interest attributable to the Group: 1,425,000)

Note:

- i. As specified in 4 sets of Property Ownership Certificate, the property is held by Guangzhou Construction.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 4 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
40.	Level 1 Blocks 4-3, 4, 5, 6 Tong De Garden (同德花園) Nos. 121-155 Tong Jing Street Bai Yun District Guangzhou Guangdong Province The PRC	The property comprises various commercial units within an 8-storey commercial/residential building completed in December 1997. The gross floor area of the property is approximately 3,966 square metres. The property is held for a term of 40 years for commercial purpose commencing on 6 April 1995.	As at the date of valuation, the property was vacant.	19,800,000 (95.00% interest attributable to the Group: 18,810,000)

Notes:

- i. As specified in a Real Estate Titleship Confirmation, the property interest is held by Guangzhou Construction.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
41.	Level 7 and Basement Car Park Fortune Plaza (財富廣場) Nos. 114-118 Ti Yu Dong Road Tian He District Guangzhou Guangdong Province The PRC	<p>Fortune Plaza comprises a commercial/office development which includes two office buildings with 27-storey and 37-storey, namely West Tower and East Tower respectively, above a 6-level commercial podium with a basement car park completed in 2003.</p> <p>The property comprises certain commercial spaces and car parking spaces of Fortune Plaza.</p> <p>The total gross floor area of the property is approximately 8,014 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>761</td> </tr> <tr> <td>Car Park</td> <td><u>7,253</u></td> </tr> <tr> <td>Total:</td> <td><u>8,014</u></td> </tr> </tbody> </table> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for others purposes commencing on 26 November 2002.</p>	Use	Gross Floor Area Square metres	Commercial	761	Car Park	<u>7,253</u>	Total:	<u>8,014</u>	<p>As at the date of valuation, the commercial spaces were leased to 2 tenants at a total monthly rent of approximately RMB8,581 for June 2010 with the latest term expiring on 31 December 2011.</p> <p>The car parking spaces were leased at a monthly rent of approximately RMB21,800 for June 2010 with a term expiring on 31 December 2010.</p>	<p>40,600,000</p> <p>(95.00% interest attributable to the Group: 38,570,000)</p>
Use	Gross Floor Area Square metres											
Commercial	761											
Car Park	<u>7,253</u>											
Total:	<u>8,014</u>											

Notes:

- i. As specified in a Real Estate Titleship Confirmation dated 12 May 2005 issued by Guangzhou State-owned Land Resources and Building Administration Bureau, the property interest is held by Guangzhou Construction for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for others purposes commencing on 26 November 2002.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
42.	Victory Plaza (維多利廣場) No. 101 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	<p>Victoria Plaza comprises a commercial/office development which includes two office buildings with 52-storey and 36-storey, namely Tower A and Tower B respectively, above a 6-level commercial podium and 4-level basement car park completed in 2003.</p> <p>The property comprises certain office spaces and basement car parks. The gross floor area of the property is approximately 49,761 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>27,848</td> </tr> <tr> <td>Car Park (B2 – B4)</td> <td>21,913</td> </tr> <tr> <td>Total:</td> <td><u>49,761</u></td> </tr> </tbody> </table> <p>The property is held under a Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial/tourism purposes, and 50 years for other purposes commencing on 8 March 2004.</p>	Level	Gross Floor Area Square metres	Office	27,848	Car Park (B2 – B4)	21,913	Total:	<u>49,761</u>	<p>As at the date of valuation, portion of the office in Tower A with gross floor area of approximately 2,180 square metres are held for sale and the remaining office spaces in Tower B with gross floor area of approximately 25,156 square metres was leased to various tenants at a total monthly rent of approximately RMB2,256,505 for June 2010 with the latest term expiring on 31 May 2015. The rest of the office spaces remains vacant.</p> <p>186 car parking spaces was leased at a monthly rent of approximately RMB36,800 for June 2010 with a term expiring on 31 December 2010. The remaining car parking spaces was leased on hourly basis.</p>	<p>424,200,000</p> <p>(95.00% interest attributable to the Group: 402,990,000)</p>
Level	Gross Floor Area Square metres											
Office	27,848											
Car Park (B2 – B4)	21,913											
Total:	<u>49,761</u>											

Notes:

- i. As specified in a Land Use Rights Certificate dated 9 July 2001 and a Land Use Rights Grant Contract dated 27 July 1997 both issued or entered into by the State Land Administration Bureau of Guangzhou, the property interest is held by Guangzhou Construction for a term of 70 years for residential purpose, 40 years for commercial / tourism purposes and 50 years for other purposes commencing on 8 March 2004.
- ii. The development scheme of 54-storey Tower A and 38-storey Tower B has been approved via a Construction Works Planning Permit.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The basement levels are held by Guangzhou Construction under 3 sets of Property Ownership Certificate.

- b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

- c. The office portion is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB										
43.	City Development Plaza (城建大厦) Nos. 185-189 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	<p>City Development Plaza comprises a 23-storey office building above a 5-level commercial podium with a 2-storey basement car park completed in 1997.</p> <p>The property comprises various office units, commercial units and 174 car parking spaces of City Development Plaza.</p> <p>The gross floor area of the property is approximately 25,595 square metres. Detailed breakdown is as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>7,538</td> </tr> <tr> <td>Commercial</td> <td>6,142</td> </tr> <tr> <td>Car Park</td> <td>12,275</td> </tr> <tr> <td>Total:</td> <td><u>25,595</u></td> </tr> </tbody> </table> <p>The property is held under a Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for others purposes commencing on 27 January 1997.</p>	Use	Gross Floor Area Square metres	Office	7,538	Commercial	6,142	Car Park	12,275	Total:	<u>25,595</u>	<p>As at the date of valuation, the office and commercial portion were occupied by the Group. The car parking spaces were leased on monthly or hourly basis.</p>	<p>170,100,000</p> <p>(95.00% interest attributable to the Group: 161,595,000)</p>
Use	Gross Floor Area Square metres													
Office	7,538													
Commercial	6,142													
Car Park	12,275													
Total:	<u>25,595</u>													

Notes:

- i. As specified in 8 sets of Property Ownership Certificate issued in between 2002 and 2009 by Guangzhou Real Estate Administration Bureau, the property interest is held by Guangzhou Construction for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for others purposes commencing on 27 January 1997.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 8 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
45.	Tian He Southern Residential 9-8, 9, 18, 19 (天河南住 9-8, 9, 18, 19) Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 3 levels of retailing spaces within a multi-storey building completed in December 1993.</p> <p>The gross floor area of the property is approximately 6,839 square metres.</p> <p>The property is held for a term of 40 years for non-residential purpose commencing on 27 January 1997.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 830 square metres was leased to a tenant at a monthly rent of approximately RMB19,920 for June 2010 with the latest term expiring on 31 October 2010. The rest of the property remains vacant.</p>	<p>62,000,000</p> <p>(95.00% interest attributable to the Group: 58,900,000)</p>

Notes:

- i. As specified in a Property Ownership Certificate dated 14 November 2002 by Guangzhou State-owned Land Resources and Building Administration Bureau, the property interest is held by Guangzhou Construction for a term 40 years for non-residential purpose commencing on 27 January 1997.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
46.	Basement Car Park Tian Hui Court (天暉閣) No. 18 Tian He Dong Road Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 34 car parking spaces within a 2-storey basement car park completed in March 2000.</p> <p>The gross floor area of the property is approximately 397 square metres.</p> <p>The property is held for a term of 50 years for car parking purpose commencing on 27 August 1998.</p>	<p>As at the date of valuation, the car parking spaces were leased at a monthly rent of approximately RMB3,600 for June 2010 with a term expiring on 31 December 2010.</p>	<p>6,800,000</p> <p>(95.00% interest attributable to the Group: 6,460,000)</p>

Notes:

- i. As specified in a Real Estate Titleship Confirmation, the property interest is held by Guangzhou Construction.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
47.	Tian He Western Residential 1-3 (天河西住1-3) No. 125 Tian He Xi Road Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises various commercial units within a 18-storey composite building completed in 1993.</p> <p>The gross floor area of the property is approximately 3,717 square metres.</p> <p>The property is held for a term of 50 years for car parking purpose commencing on 27 January 1997.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 617 square metres was leased to various tenants at a total monthly rent of approximately RMB7,843 for June 2010 with the latest term expiring on 30 April 2013. The rest of the property remains vacant.</p>	<p>18,300,000</p> <p>(95.00% interest attributable to the Group: 17,385,000)</p>

Notes:

- i. As specified in 2 sets of Property Ownership Certificate dated 17 June 1999 issued by Guangzhou State-owned Land and Building Bureau, the property interest is held by Guangzhou Construction for a term of 50 years for car parking purpose commencing on 27 January 1997.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
48.	Levels 1 and 2 Tian He Southern Residential 9-20 (天河南住9-20) No. 19 Ti Yu Dong Heng Street Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 2 levels of commercial spaces within a multi-storey building completed in March 1992.</p> <p>The gross floor area of the property is approximately 1,111 square metres.</p> <p>The property is held for a term of 40 years for commercial purpose commencing on 18 June 2000.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately RMB5,555 for June 2010 with a term expiring on 31 May 2013.</p>	<p>4,700,000</p> <p>(95.00% interest attributable to the Group: 4,465,000)</p>

Notes:

- i. As specified in a Property Ownership Certificate dated 22 June 2000 issued by Guangzhou Real Estate Administration Bureau, the property interest is held by Guangzhou Construction for a term of 40 years for commercial purpose commencing on 18 June 2000.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
49.	Level 3 to Level 4 Tian Hui Court (天暉閣) Tian He Southern Residential 13-3, 4 Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 2 levels of retailing spaces within a 19-storey building completed in March 2000.</p> <p>The gross floor area of the property is approximately 2,707 square metres.</p> <p>The property is held for a term of 70 years for residential purpose and 40 years for commercial purpose commencing on 27 August 1998.</p>	<p>As at the date of valuation, the property was leased to 2 tenants at a total monthly rent of approximately RMB96,695 for June 2010 with the latest term expiring on 31 October 2013.</p>	<p>18,200,000</p> <p>(95.00% interest attributable to the Group: 17,290,000)</p>

Notes:

- i. As specified in 2 sets of Property Ownership Certificate dated 8 April 2003 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Guangzhou Construction for a term of 50 years for car parking purpose commencing on 27 August 1998.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 2 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
50.	Basement Car Park Blocks A, B, and C of Hui Ya Court (蒼雅苑A、B、C幢停車場) Nos. 251, 253, 255 Tian He Bei Road Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 313 car parking spaces within a residential development completed in 2000.</p> <p>The gross floor area of the property is approximately 3,810 square metres.</p> <p>The property is held for a term of 50 years for car parking purpose commencing on 24 July 1995 and 27 August 1998 for blocks A and B and block C respectively.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately RMB48,281 for June 2010 with a term expiring on 31 December 2010.</p>	<p>78,350,000</p> <p>(interest attributable to the Group: 76,560,000)</p> <p>(see footnote ii)</p>

Notes:

- i. As specified in 2 sets of Property Ownership Certificate and a Real Estate Titleship Confirmation, the property interest is held by Guangzhou Construction and Grandcity for a term of 50 years for car parking purpose commencing on 24 July 1995 and 27 August 1998 for blocks A and B and block C respectively.
- ii. Basement car park of blocks A and B is held by Grandcity (a wholly owned subsidiary of the Company) while basement car park of block C is held by Guangzhou Construction (a 95% owned subsidiary of the Company).
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 2 sets of Property Ownership Certificate and a Real Estate Titleship Confirmation.
 - b. During the land use rights term, Guangzhou Construction and Grandcity has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
51.	Zone 4 of Tian He Nan Residential Area (天河南住4區綜合樓) No. 111 Ti Yu Xi Heng Street Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises various office units within a 6-storey building completed in June 1997.</p> <p>The gross floor area of the property is approximately 11,446 square metres.</p> <p>The property is held for a term of 50 years for office and car parking purpose commencing on 27 January 1997.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 8,698 square metres was leased to various tenants at a total monthly rent of approximately RMB142,757 for June 2010 with the latest term expiring on 20 April 2020. The rest of the property remains vacant.</p>	<p>44,800,000</p> <p>(95.00% interest attributable to the Group: 42,560,000)</p>

Notes:

- i. As specified in 6 sets of Property Ownership Certificate dated 12 January 1999 issued by Guangzhou Real Estate Administration Bureau, the property interest is held by Guangzhou Construction for a term of 50 years for office and car parking purpose commencing on 27 January 1997.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 6 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
52.	Car Park on Basement Levels 1 and 2 of Ming Ya Yuan (名雅苑) and Car Park on Basement of Block M2-4 Phase II of Ming Ya Yuan (名雅苑二期) Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 174 and 167 car parking spaces within basement Ming Ya Yuan and Phase II of Ming Ya Yuan respectively. The developments were completed between 1995 and 2000.</p> <p>The gross floor area of the 174 car parking spaces in Ming Ya Yuan is approximately 7,100 square metres and the gross floor area of the 167 car parking spaces in Phase II of Ming Ya Yuan is approximately 7,486 square metres.</p> <p>See footnote (ii) for the land use rights term.</p>	<p>As at the date of valuation, portion of car parking spaces of Ming Ya Yuan with gross floor area of approximately 1,313 were leased at a monthly rent of approximately RMB29,545 for June 2010 with a term expiring on 31 December 2012. The remaining car parking spaces was leased on hourly basis.</p> <p>The car parking spaces of Phase II of Ming Ya Yuan were vacant.</p>	<p>68,000,000</p> <p>(95.00% interest attributable to the Group: 64,600,000)</p>

Notes:

- i. The development schemes of basement car park of Ming Ya Yuan and Phase II of Ming Ya Yuan by Guangzhou Construction have been approved by Town Planning Bureau of Guangzhou via 2 sets of Construction Works Planning Permit dated 10 May 1994 and 18 April 2000 respectively.
- ii. We have assumed that the property is held for a term of 50 years for car parking purpose commencing on the date of Land Use Rights Certificate to be issued. The above-mentioned period is by reference to the land use regulations for state-owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. Ming Ya Yuan is held by Guangzhou Construction under a Real Estate Titleship Confirmation.
 - b. Construction Project Planning Inspection and Clearance Certificate of Phase II of Ming Ya Yuan have been obtained and there is no legal impediment for Guangzhou Construction to obtain Property Ownership Certificate and Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
53.	Basement Car Park Yang Qing Ju (漾晴居) Zhu Jiang Xin Cheng Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 34 car parking spaces within 2 blocks of 33-storey residential buildings completed in 2001.</p> <p>The total gross floor area of the property is approximately 5,977 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 23 March 1999.</p>	<p>As at the date of valuation, the car parking spaces were leased at a monthly rent of approximately RMB5,250 for June 2010 with a term expiring on 31 December 2010.</p>	<p>6,800,000</p> <p>(95.00% interest attributable to the Group: 6,460,000)</p>

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 10 May 1997, the property interest is held by Guangzhou Construction.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
54.	Basement Car Park Tian Jun Yuan (天俊閣) Ti Yu Dong Road Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 114 car parking spaces within a block of 34-storey residential building with 2-storey basement completed in 2003.</p> <p>The total gross floor area of the property is approximately 7,100 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial/tourism purposes and 50 years for other purposes commencing on the issue date of Construction Land Use Approval.</p>	<p>As at the date of valuation, the car parking spaces were leased at a monthly rent of approximately RMB44,400 for June 2010 with a term expiring on 31 December 2010.</p>	<p>22,800,000</p> <p>(95.00% interest attributable to the Group: 21,660,000)</p>

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 27 January 1997 entered into by the State Land Administration Bureau of Guangzhou, the property interest is held by Guangzhou Construction for a term of 70 years for residential purpose, 40 years for commercial/tourism purposes and 50 years for other purposes commencing on the issue date of Construction Land Use Approval.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.
- iii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
56.	Basement Car Park Xing Hui Guo Ji (星匯國際) Zhu Jiang Xin Cheng Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises a basement carpark (with 229 car parking spaces) within a block of 28-storey service apartment/commercial building completed in 2005.</p> <p>The total gross floor area of the property is approximately 5,868 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial/tourism/ entertainment purposes and 50 years for other purposes commencing on 18 December 1999.</p>	<p>The car parking spaces were leased at a monthly rent of approximately RMB39,700 for June 2010 with a term expiring on 31 December 2010.</p>	<p>57,300,000</p> <p>(100.00% interest attributable to the Group: 57,300,000)</p>

Notes:

- i. As specified in a Land Use Rights Certificate dated 18 December 1999, the property interest is held by Grandcity.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Grandcity under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
57.	Shops on Ground Floor Nos. 16, 18, 20 and 22 Ti Yu Dong Heng Street (體育東橫街16、18、20、22號) Tian He District Guangzhou Guangdong Province The PRC	The property comprises a level of commercial spaces within a multi-storey building completed in March 1992. The gross floor area of the property is approximately 472 square metres. The property is held for a term of 40 years for commercial purpose commencing on 27 January 1997.	As at the date of valuation, portion of the property with gross floor area of approximately 469 square metres was leased to various tenants at a total monthly rent of approximately RMB116,588 for June 2010 with the latest term expiring on 30 June 2018. The rest of the property remains vacant.	8,000,000 (52.00% interest attributable to the Group: 4,160,000)

Notes:

- i. As specified in a Property Ownership Certificate dated 31 December 2001 issued by Guangzhou State-owned Land Resources and Building Bureau, the property interest is held by 廣州城建開發興業房地產中介有限公司 (“Xingye”) for a term of 40 years for commercial purpose commencing on 27 January 1997.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under a Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
58.	Unit 107 No. 7 Liu Yun Liu Street (六運六街7號107單元) Tian He Nan Er Road Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises certain retail spaces on ground floor of a 7-storey residential building completed in about 1998.</p> <p>The gross floor area of the property is approximately 75 square metres.</p> <p>The property is held for a term of 70 years for residential purpose commencing on 27 January 1997.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately RMB4,500 for June 2010 with a term expiring on 30 April 2012.</p>	<p>440,000</p> <p>(52.00% interest attributable to the Group: 228,800)</p>

Notes:

- i. As specified in a Property Ownership Certificate dated 5 July 2001 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Xingye for a term of 70 years for residential purpose commencing on 27 January 1997.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under a Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
59.	Shops on Ground Floor Nos. 401, 403 Lin He Street (林和街401、403號) Tian He Bei Road Tian He District Guangzhou Guangdong Province The PRC	The property comprises 2 shop units on ground floor within an 8-storey residential building completed in about 1998. The gross floor area of the property is approximately 71 square metres. The property is held for a term of 40 years for commercial purpose commencing on 27 January 1997.	As at the date of valuation, the property was leased to 2 tenants at a total monthly rent of approximately RMB14,518 for June 2010 with the latest term expiring on 30 November 2011.	1,200,000 (52.00% interest attributable to the Group: 624,000)

Notes:

- i. As specified in a Property Ownership Certificate dated 27 September 2001 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Xingye for a term of 40 years for commercial purpose commencing on 27 January 1997.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under a Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
60.	Shop No. 7 No. 11-2 Ti Yu Xi Road Jun Hui Building (駿匯大廈) Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 2 units in a 3-storey commercial podium under a 24-storey commercial/residential building with 2-storey basement car park. The building was completed in 2000.</p> <p>The gross floor area of the property is approximately 135 square metres.</p> <p>The property is held for a term of 40 years for non-residential purpose commencing on 18 September 1998.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 63 square metres was leased at a monthly rent of approximately RMB22,990 for June 2010 with a term expiring on 31 December 2010. The rest of the property was occupied by the Group.</p>	<p>1,600,000</p> <p>(52.00% interest attributable to the Group: 832,000)</p>

Notes:

- i. As specified in a Property Ownership Certificate dated 23 April 2002 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Xingye for a term of 40 years for non-residential purpose commencing on 18 September 1998.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under a Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
61.	Levels 1 and 2 Tian He Southern Residential 9-14, 15, 16 (天河南住 9-14, 15, 16) Nos. 39-41 Ti Yu Dong Heng Street Tian He District Guangzhou Guangdong Province The PRC	The property comprises 2 levels of commercial spaces within a multi-storey building completed in 1989. The gross floor area of the property is approximately 4,852 square metres. The property is held under a Real Estate Titleship Confirmation dated 6 October 1994 with an unspecified term.	As at the date of valuation, the property was occupied by the Group.	24,900,000 (95.00% interest attributable to the Group: 23,655,000)

Notes:

- i. As specified in a Real Estate Titleship Confirmation dated 6 October 1994 issued by Guangzhou Real Estate Registration Office, the property interest is held by Guangzhou Construction.
- ii. We have assumed that the property is held for a term of 40 years for commercial purpose commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
62.	Basement Car Park (新創舉大廈) No. 123 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 12 basement car park in a 29-storey commercial building above 2-storey basement car park completed in 2004.</p> <p>The gross floor area of the property is approximately 146 square metres.</p> <p>The property is held for a term of 50 years for office purpose commencing on 26 February 2003.</p>	As at the date of valuation, the property was occupied by the Group.	2,600,000 (95.00% interest attributable to the Group: 2,470,000)

Notes:

- i. As specified in 12 sets of Property Ownership Certificate dated 13 October 2004 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Guangzhou Construction for a term of 50 years for office purpose commencing on 26 February 2003.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 12 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
63.	Level 1 to Level 8 Nos. 1-3 Tian He Bei Road (天河北路1-3號) Tian He District Guangzhou Guangdong Province The PRC	The property comprises an 8-storey building completed in 1993. The gross floor area of the property is approximately 4,372 square metres. The property is held for a term of 40 years for composite purpose and 50 years for car parking and office purposes commencing on 27 January 1997.	As at the date of valuation, the property was leased at a monthly rent of approximately RMB411,141 for June 2010 with a term expiring on 30 September 2012.	32,900,000 (98.62% interest attributable to the Group: 32,445,980)

Notes:

- i. As specified in a Property Ownership Certificate dated 12 March 2003 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by 廣州城建開發裝飾有限公司 (“Zhuangshi”) for a term of 40 years for composite purpose and 50 years for car parking and office purposes commencing on 27 January 1997.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Zhuangshi under a Property Ownership Certificate.
 - b. During the land use rights term, Zhuangshi has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
64.	Tian He Southern Residential 9-21 (天河南住9-21) No. 3 Liu Yun Liu Street Tian He District Guangzhou Guangdong Province The PRC	The property comprises certain commercial units within a multi-storey building completed in December 1993. The gross floor area of the property is approximately 400 square metres. See footnote (ii) for the land use right term.	As at the date of valuation, portion of the property with gross floor area of approximately 350 square metres was leased at a monthly rent of approximately RMB13,750 for June 2010 with a term expiring on 31 December 2010. The rest of the property remains vacant.	2,100,000 (98.126% interest attributable to the Group: 2,060,646)

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by 廣州城建開發投資顧問有限公司 (“Guwen”) for an undefined term for composite purposes.
- ii. We have assumed that the property is held for a term of 40 years for commercial purpose commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guwen under a Property Ownership Certificate.
 - b. During the land use rights term, Guwen has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
65.	Various Office Units on Level 2 Chao Hui Commercial Centre (朝暉商業中心) Chao Hui Garden No. 10 Tian Shou Road Tian He District Guangzhou Guangdong Province The PRC	The property comprises 11 units on Level 2 in a 27-storey office building completed in about 2000. The gross floor area of the property is approximately 824 square metres. See footnote (i) for land use right term.	As at the date of valuation, the property was vacant. As at the date of valuation, portion of the property with gross floor area of approximately 244 square metres was leased to 2 tenants at a total monthly rent of approximately RMB5,803 for June 2010 with a term expiring on 30 November 2010. The rest of the property remains vacant.	6,300,000 (95.00% interest attributable to the Group: 5,985,000)

Notes:

- i. We have assumed that the property is held for a term of 40 years for commercial purpose and 50 years for other purposes commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 9 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB										
66.	Popark Plaza (東方寶泰廣場) Tian He East Station Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises a parcel of land with land area of approximately 33,322 square metres on which an underground commercial complex with 3 basement levels of shops and 3 basement levels of car parking spaces were built. The ground floor level is being used as commercial/public transport terminal. The roof deck above ground floor is a landscaped public open space. The property has been used as shopping arcade since 2008.</p> <p>The total gross floor area of the property is approximately 115,745 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial (G/F & M/F)</td> <td>3,069</td> </tr> <tr> <td>Commercial (B1 – B3)</td> <td>81,950</td> </tr> <tr> <td>Car Park (737 spaces)</td> <td><u>30,726</u></td> </tr> <tr> <td>Total:</td> <td><u>115,745</u></td> </tr> </tbody> </table> <p>The property is held for a term of 40 years for commercial, tourism and entertainment purposes and 50 years for other purpose commencing on 22 April 1996.</p>	Use	Gross Floor Area Square metres	Commercial (G/F & M/F)	3,069	Commercial (B1 – B3)	81,950	Car Park (737 spaces)	<u>30,726</u>	Total:	<u>115,745</u>	<p>As at the date of valuation, portion of the commercial spaces with gross floor area of approximately 50,642 square metres was leased to various tenants at a total monthly rent of approximately RMB1,300,000 for June 2010 with the latest term expiring on 31 December 2024. The rest of the commercial spaces remains vacant.</p> <p>275 car parking spaces on basement levels 1 and 2 were leased at a monthly rent of approximately RMB51,542 with a term expiring on 31 December 2024. Tenant has the right to rent more car parking spaces from the owner at least one level at a time.</p>	<p>900,000,000</p> <p>(95.00% interest attributable to the Group: 855,000,000)</p>
Use	Gross Floor Area Square metres													
Commercial (G/F & M/F)	3,069													
Commercial (B1 – B3)	81,950													
Car Park (737 spaces)	<u>30,726</u>													
Total:	<u>115,745</u>													

Notes:

- i. As specified in a Land Use Rights Certificate, the land use rights of the property was granted to 廣州市致威城市房產有限公司 for a term of 40 years for commercial, tourism and entertainment purposes and 50 years for other purpose commencing on 22 April 1996.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州市致威城市房產有限公司 under a Land Use Rights Certificate for a term commencing on 22 April 1996.
 - b. During the land use rights term, 廣州市致威城市房產有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the land without paying any additional premiums to the relevant government authorities.

- c. Construction Project Planning Inspection and Clearance Certificate have been obtained and there is no legal impediment for 廣東市致威城市房產有限公司 to obtain Property Ownership Certificate and Real Estate Titleship Confirmation.
- d. The property is subject to a mortgage.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is made based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such outstanding land premium respectively.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- v. We have assumed that the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on the date of Land Use Right Certificate to be issued. The above-mentioned period is by reference to the land use regulations for state-owned land.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
67.	Basement Car Park Jun Hui Building (駿匯大廈) No. 13 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises 66 car parking spaces within a 2-storey basement car park of a 24-storey commercial/residential building. The building was completed in 2000.</p> <p>The total gross floor area of the property is approximately 838 square metres.</p> <p>The property is held for a term of 40 years for commercial/tourism/entertainment purposes and 50 years for car parking purpose commencing on 18 September 1998.</p>	<p>The car parking spaces were leased at a monthly rent of approximately RMB10,800 for June 2010 with a term expiring on 31 December 2010.</p>	<p>12,000,000</p> <p>(100.00% interest attributable to the Group: 12,000,000)</p>

Notes:

- i. As specified in 66 sets of Property Ownership Certificate dated 17 June 1999 issued by 廣州市國土局, the property interest is held by Charcon.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Charcon under 66 sets of Property Ownership Certificate.
 - b. During the land use rights term, Charcon has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
- iii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
68.	Shops on Level 1 and Level 2 and Car Parking Spaces on Basement Levels Galaxy City Shopping Centre (星匯園) Nos. 11-17 Jin Sui Road Tian He District Guangzhou Guangdong Province The PRC	<p>The property comprises various shop units in a 2-storey commercial podium and 6 car parking spaces on a 2-storey basement within a residential development of 8 blocks of 33-storey residential/commercial buildings completed in 2002.</p> <p>The total gross floor area of the property is approximately 2,026 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial (1/F – 2/F)</td> <td>1,013</td> </tr> <tr> <td>Basement (B1 – B2)</td> <td><u>1,013</u></td> </tr> <tr> <td>Total:</td> <td><u><u>2,026</u></u></td> </tr> </tbody> </table> <p>The property is held for a term of 40 years for commercial purpose and 50 years for car parking purpose commencing on 30 December 1998.</p>	Use	Gross Floor Area Square metres	Commercial (1/F – 2/F)	1,013	Basement (B1 – B2)	<u>1,013</u>	Total:	<u><u>2,026</u></u>	<p>As at the date of valuation, portion of the commercial spaces with gross floor area of approximately 450 square metres was leased at a monthly rent of approximately RMB39,678 for June 2010 with a term expiring on 31 July 2012. The rest of the commercial spaces remains vacant.</p> <p>The car parking spaces were leased at a monthly rent of approximately RMB1,500 for June 2010 with a term expiring on 31 December 2010.</p>	<p>24,200,000</p> <p>(100.00% interest attributable to the Group: 24,200,000)</p>
Use	Gross Floor Area Square metres											
Commercial (1/F – 2/F)	1,013											
Basement (B1 – B2)	<u>1,013</u>											
Total:	<u><u>2,026</u></u>											

Notes:

- i. As specified in 2 sets of Property Ownership Certificate dated 5 March 2002 and 26 December 2002 issued by Guangzhou Stat-owned Land and Building Administration Bureau, the property interest is held by Charcon for a term of 40 years for commercial purpose and 50 years for car parking purpose commencing on 30 December 1998.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Charcon under 3 sets of Property Ownership Certificate.
 - b. During the land use rights term, Charcon has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
69.	Basement Car Park White Horse Commercial Building (白馬商貿大廈) Nos. 14-18 Zhan Nan Road Yue Xiu District Guangzhou Guangdong Province The PRC	White Horse Commercial Building comprises a commercial development with 8-storey commercial building with a storey of basement commercial spaces and a basement car park completed in 1990. The property comprises 117 car parking spaces of White Horse Commercial Building. The gross floor area of the property is approximately 5,691 square metres. The property is held for a term of 40 years for commercial purpose and 50 years for others purposes commencing on 7 June 2005.	As at the date of valuation, the property was leased on hourly basis.	15,200,000 (95.98% interest attributable to the Group: 14,588,960)

Notes:

- i. As specified in a Property Ownership Certificate issued by the Guangzhou Real Estate Administration Bureau, the property interest is held by 廣州白馬服裝市場有限公司 for a term of 40 years for commercial purpose and 50 years for others purposes commencing on 7 June 2005.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州白馬服裝市場有限公司 under a Property Ownership Certificate.
 - b. During the land use rights term, 廣州白馬服裝市場有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
70.	Levels 1 and 2 No. 55 Pan Fu Road (盤福路) Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises certain retail spaces within a 9-storey building. The gross floor area of the property is approximately 744 square metres. See footnote (ii) for the land use right term.	As at the date of valuation, the property was leased to 2 tenants at a total monthly rent of approximately RMB206,000 for June 2010 with the latest term expiring on 29 February 2012.	10,000,000 (98.62% interest attributable to the Group: 9,862,000)

Notes:

- i. As specified in 3 sets of Property Ownership Certificate dated 12 February 2003 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Zhuangshi for an undefined term.
- ii. We have assumed that the property is held for a term of 40 years for commercial purpose commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Zhuangshi under 3 sets of Property Ownership Certificate.
 - b. During the land use rights term, Zhuangshi has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
71.	Jin Han Building (錦漢大廈) No. 119 Liuhua Road Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises an 11-storey commercial building with office spaces from level 7 to level 11 while level 2 to level 6 are designed as a car parking floors. Ground floor is designed for commercial purposes. As advised by the Company, the property was completed in about 1990.</p> <p>The gross floor area of the property is approximately 45,833 square metres.</p> <p>See footnote (v) for the land use rights term.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 41,982 square metres was leased at a monthly rent of approximately RMB944,112 for June 2010 with a term expiring on 31 December 2011.</p> <p>The rest of the property remains vacant.</p>	<p>80,000,000</p> <p>(100.00% interest attributable to the Group: 80,000,000)</p>

Notes:

- i. A Construction Land Use Planning Permit dated 18 August 1995 was issued by the Town Planning Bureau of Guangzhou to Guangzhou Tiyu.
- ii. Pursuant to a Joint Venture Agreement dated and a Supplemental Agreement all dated 28 November 1995 (the "Joint Venture Agreement") among 廣州體育發展公司 ("Party A"), 廣州錦發房地產開發公司 ("Party B"), Kam Hon Investment Company Limited ("Party C"), Jakon International Ltd. ("Party D"), Charcon Development Limited ("Party E"), Light Home Development Limited ("Party F") and Takwill International Ltd. ("Party G"), a joint venture company namely Guangzhou Tiyu was established to develop the property. As agreed, Party C, D, E, F and G shall equally share the profit from the subject development.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay the outstanding land premium respectively.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- v. We have assumed that the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on the date of Land Use Rights Certificate to be issued to the property. The above mentioned period is by reference to the land use regulations for state owned land.
- vi. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州市體育運動委員會 under 6 sets of Property Ownership Certificate.
 - b. During the land use rights term, 廣州市體育運動委員會 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB										
72.	Yue Xiu City Plaza (越秀城市廣場) Dong Feng Zhong Road Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises 4 storey of office spaces, certain commercial spaces within a 5-storey commercial podium and 167 car parking spaces in a 4-storey basement car park under a block of 31-storey office building completed in 2006.</p> <p>The total gross floor area of the property is approximately 41,428 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial (1/F – 5/F)</td> <td>17,560</td> </tr> <tr> <td>Office</td> <td>5,592</td> </tr> <tr> <td>Car Park (-1/F – -4/F)</td> <td>18,276</td> </tr> <tr> <td>Total:</td> <td><u>41,428</u></td> </tr> </tbody> </table> <p>The property is held for a term of 50 years for composite purpose commencing on 27 June 2003.</p>	Use	Gross Floor Area Square metres	Commercial (1/F – 5/F)	17,560	Office	5,592	Car Park (-1/F – -4/F)	18,276	Total:	<u>41,428</u>	<p>As at the date of valuation, the office spaces was leased to various tenants at a total monthly rent of approximately RMB442,359 for June 2010 with the latest term expiring on 30 September 2011. Portion of the commercial spaces with gross floor area of approximately 12,977 square metres was leased to various tenants at a total monthly rent of approximately RMB1,257,676 for June 2010 with the latest term expiring on 31 January 2017. The rest of the commercial spaces remains vacant.</p> <p>The car parking spaces were leased at a monthly rent of approximately RMB34,000 for June 2010 with a term expiring on 31 December 2010.</p>	<p>354,000,000</p> <p>(75.00% interest attributable to the Group: 265,500,000)</p>
Use	Gross Floor Area Square metres													
Commercial (1/F – 5/F)	17,560													
Office	5,592													
Car Park (-1/F – -4/F)	18,276													
Total:	<u>41,428</u>													

Notes:

- i. As specified in a Land Use Rights Certificate dated 27 June 2003, the property interest is held by 廣州祥發房地產有限公司 for a term of 50 years for composite purpose commencing on 27 June 2003.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州祥發房地產有限公司 under 2 sets of Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
73.	Level 1 Block 4-5 Shui Yin Gang (水蔭崗) Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises one retailing unit within a 9-storey building completed in December 1992. The gross floor area of the property is approximately 421 square metres. See footnote (ii) for the land use right term.	As at the date of valuation, the property was vacant.	2,300,000 (95.00% interest attributable to the Group: 2,185,000)

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Guangzhou Construction.
- ii. We have assumed that the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 2 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
74.	Cheng Zhong Building (城總大廈) No. 42 Ba Chi Er Ma Road Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises a block of 10-storey commercial building completed in 1986 and had undergone renovation in or about 2005. The gross floor area of the property is approximately 6,483 square metres. See footnote (i) for the land use right term.	As at the date of valuation, the property was leased at a monthly rent of approximately RMB291,735 for June 2010 with a term expiring on 28 February 2023.	41,000,000 (95.00% interest attributable to the Group: 38,950,000)

Notes:

- i. We have assumed that the property is held for a term of 40 years for commercial use and 50 years for other uses commencing from the date of Land Use Rights Certificate to be issued to the property. The above mentioned period is by reference to the land use regulations for state owned land.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
75.	Basement Car Park Fortuna Garden (福萊花園) No. 23 Lane 6 Shui Yin Lu Straight Street West Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises 56 car parking spaces in basement level within a residential development with high rise residential buildings completed in about 1993.</p> <p>The gross floor area of the property is approximately 2,340 square metres.</p> <p>The property is held for a term of 40 years for commercial purpose commencing on 3 September 1993.</p>	<p>As at the date of valuation, the property was leased to various tenants at a total monthly rent of approximately RMB8,400 for June 2010 with the latest term expiring on 31 December 2010.</p>	<p>8,000,000</p> <p>(95.00% interest attributable to the Group: 7,600,000)</p>

Notes:

- i. As specified in 5 sets of Property Ownership Certificate issued in November 1993 and February 2003, issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Guangzhou Construction for a term of 40 years for commercial purpose commencing on 3 September 1993.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州普城房產發展公司 under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
76.	Er Sha District 11 (二沙11區) Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises a development site with an area of approximately 16,779 square metres on which a school building was developed.</p> <p>As advised by Guangzhou Construction, the total gross floor area of the school building is 6,190 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial/tourism purposes and 50 years for other purposes commencing on the date of Land Use Rights Certificate to be issued.</p>	<p>As at the date of valuation, the property was leased to a tenant who occupied the property as a school at a monthly rent of approximately RMB351,775 for June 2010 with a term expiring on 23 March 2012.</p>	<p>33,600,000</p> <p>(95.00% interest attributable to the Group: 31,920,000)</p>

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 15 April 1992 and its supplement dated 3 April 1998 entered into by the Guangzhou Town and Village Construction Committee and the State Land Administration Bureau of Guangzhou, the land use rights of the property was agreed to be granted to Guangzhou Construction.
- ii. According to a Construction Land Use Planning Permit dated 16 March 2000 issued by the State Land Administration Bureau of Guangzhou, Guangzhou Construction was allowed to develop the property on the land.
- iii. A development scheme with a total gross floor area of 6,190 square metres has been approved by Town Planning Bureau of Guangzhou via a Construction Works Planning Permit issued on 18 July 2000.
- iv. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. No title document has been obtained for the property. However, Guangzhou Construction has obtained a Construction Project Planning Inspection and Clearance Certificate, there is no legal impediment for the application of title confirmation or Property Ownership Certificate by Guangzhou Construction.
 - b. Guangzhou Construction is the beneficial owner of the property.
- v. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is made based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such further land premium respectively by the owner.
- vi. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
77.	Basement Car Park No. 11 South 2nd Street Siyou New Road (寺右新馬路南二街) Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises 233 basement car parks within a 2-storey basement car parking development completed in about 2002.</p> <p>The total gross floor area of the property is approximately 2,373 square metres.</p> <p>The property is held for a term of 50 years for carparking purpose commencing on 24 December 1999.</p>	<p>As at the date of valuation, the car parking spaces were leased at a monthly rent of approximately RMB144,150 for June 2010 with a term expiring on 31 December 2010.</p>	<p>37,000,000</p> <p>(81.26% interest attributable to the Group: 30,066,200)</p>

Notes:

- i. As specified in 233 sets of Property Ownership Certificate, the property interest is held by 廣州城建開發宏城車場物業管理有限公司 (“CPPM”) for a term of 50 years expiring on 24 December 2049 for carparking purpose.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by CPPM under 233 sets of Property Ownership Certificate.
 - b. During the land use rights term, CPPM has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
78.	Gold Arch Residence (金亞花園) Da Tong Road Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises a car parking space completed in November 1995. The gross floor area of the property is approximately 12 square metres. The property is held for a term of 70 years for residential purpose commencing on 26 August 1993.	As at the date of valuation, the property was vacant.	200,000 (95.00% interest attributable to the Group: 190,000)

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Guangzhou Construction for a term of 70 years for residential purpose commencing on 26 August 1993.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
79.	Hua Cheng Yuan (花城苑) Da Tong Road Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises a car parking space completed in January 1995. The gross floor area of the property is approximately 20 square metres. The property is held for a term of 70 years for residential purpose commencing on 24 September 1993.	As at the date of valuation, the property was vacant.	200,000 (95.00% interest attributable to the Group: 190,000)

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Guangzhou Construction for a term of 70 years for residential purpose commencing on 24 September 1993.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
80.	Basement Car Park Dragons Pearl Garden (聚龍花園) Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	<p>The property comprises 5 car parking spaces in the basement of a low rise residential development completed in about 1998.</p> <p>The gross floor area of the property is approximately 176 square metres.</p> <p>The property is held for a term of 50 years for car parking purpose commencing on 26 January 1998.</p>	As at the date of valuation, the property was vacant.	<p>500,000</p> <p>(95.00% interest attributable to the Group: 475,000)</p>

Notes:

- i. As specified in 3 sets of Real Estate Titleship Confirmation dated 22 February 2000 issued by Guangzhou Real Estate Administration Bureau, the property interest is held by Guangzhou Construction for a term of 50 years for car parking purpose commencing on 26 January 1998.
- ii. According to a title transfer record provided by Guangzhou Construction, the property interest was transferred to Guangzhou Construction.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 2 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
81.	Basement Car Park Er Sha District 15 (二沙15區) Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises 160 car parking spaces within a low-rise residential development completed in 2000. The gross floor area of the property is approximately 7,138 square metres. See footnote (ii) for the land use rights term.	As at the date of valuation, the property was vacant.	28,800,000 (95.00% interest attributable to the Group: 27,360,000)

Notes:

- i. The development scheme of basement car park by Guangzhou Construction has been approved by Town Planning Bureau of Guangzhou via a Construction Works Planning Permit dated 11 April 1997.
- ii. We have assumed that the property is held for a term of 50 years for car parking purpose commencing on the date of Land Use Rights Certificate to be issued. The above-mentioned period is by reference to the land use regulations for state-owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. Construction Project Planning Inspection and Clearance Certificate have been obtained and there is no legal impediment for Guangzhou Construction to obtain Property Ownership Certificate and Real Estate Titleship Confirmation.
 - b. Guangzhou Construction is the beneficial owner of the property.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
82.	New Times Building – Ancillary Block (新時代大廈附樓) No. 11 Jian She San Road Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises certain office units within a 8-storey commercial building completed in 1986. The gross floor area of the property is approximately 1,042 square metres. The property is held for a term of 40 years for commercial purpose and 50 years for office commencing on 6 February 1996.	As at the date of valuation, the property was occupied by the Group.	7,800,000 (44.00% interest attributable to the Group: 3,432,000)

Notes:

- i. As specified in a Real Estate Titleship Confirmation, the property interest is held by 廣東新時代房地產有限公司 for a term of 40 years for commercial purpose and 50 years for office commencing on 6 February 1996.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣東新時代房地產有限公司 under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
83.	Unit 101 on Ground Floor Yun Xi Court Cloudview Garden (雲影花園雲曦閣) No. 8 Yun Ying Street Da Tong Road Er Sha Dao Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises 1 unit in a 3-storey residential building within a low rise residential development completed in 1996. The gross floor area of the property is approximately 159 square metres. The property is held for a term of 70 years for residential purpose commencing on 19 May 1995.	As at the date of valuation, the property was vacant.	1,100,000 (52.00% interest attributable to the Group: 572,000)

Notes:

- i. As specified in a Property Ownership Certificate dated 24 June 1999 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Xingye for a term of 70 years for residential purpose commencing on 19 May 1995.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under a Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
84.	Levels 1 to 3 Blocks 2-11, 2-12 Phase IV of Jiang Nan New Village (江南新村四期) Xing Lin Da Street Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises 3 levels of commercial spaces within a 8-storey residential building completed in October 1995.</p> <p>The gross floor area of the property is approximately 4,758 square metres.</p> <p>The property is held for a term of 40 years for commercial purpose commencing on 13 May 2004.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 2,155 square metres was leased to various tenants at a total monthly rent of approximately RMB66,750 for June 2010 with the latest term expiring on 30 April 2013. The rest of the property remains vacant.</p>	<p>34,000,000</p> <p>(95.00% interest attributable to the Group: 32,300,000)</p>

Notes:

- i. As specified in a Real Estate Titleship Confirmation dated 16 June 2004 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Guangzhou Construction for a term of 40 years for commercial purpose commencing on 13 May 2004.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
85.	Basement Car Park Ke Yi Ming Ting (可逸名庭) No. 6 Xing Tan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises 205 basement car parking spaces below multi-storey buildings within a residential development completed in 1998.</p> <p>The gross floor area of the property is approximately 13,300 square metres.</p> <p>The property is held for a term of 50 years for car parking purpose commencing on 10 March 1999.</p>	<p>As at the date of valuation, the car parking spaces were leased at a monthly rent of approximately RMB30,750 for June 2010 with a term expiring on 31 December 2010.</p>	<p>41,000,000</p> <p>(95.00% interest attributable to the Group: 38,950,000)</p>

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Guangzhou Construction for a term of 50 years for car parking purpose commencing on 10 March 1999.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 2 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
86.	H1, 4 Nos. 148, 154 Jiang Nan Da Road Central (江南大道中148、154號) Phase I of Jiang Nan Estate Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises certain spaces within a low-rise commercial/residential building completed in September 1985. The gross floor area of the property is approximately 1,494 square metres. See footnote (i) for land use right term.	As at the date of valuation, the property was vacant.	7,300,000 (95.00% interest attributable to the Group: 6,935,000)

Notes:

- i. As specified in a Property Ownership Certificate dated 10 October 1996 issued by Guangzhou Real Estate Administration Bureau, the property interest is held by Guangzhou Construction for a term of 40 years for commercial purpose commencing on 8 October 1996.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 2 sets of Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
87.	Commercial Spaces and Basement Car Park Blocks C, D and F Jiang Nan New Mansion (江南新苑) Xin Gang Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises certain commercial spaces and 131 basement car parking spaces within a residential development completed in between 2003 to 2005.</p> <p>The total gross floor area of the property is approximately 5,556 square metres. Detailed breakdown as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: right;">3,691</td> </tr> <tr> <td>Car Park</td> <td style="text-align: right;"><u>1,865</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>5,556</u></td> </tr> </tbody> </table> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial/tourism purposes and 50 years for other purposes commencing on the date of Construction Land Use Approval.</p>	Use	Gross Floor Area Square metres	Commercial	3,691	Car Park	<u>1,865</u>	Total:	<u>5,556</u>	<p>As at the date of valuation, portion of the commercial spaces with gross floor area of approximately 1,058 square metres was leased to various tenants at a total monthly rent of approximately RMB36,993 for June 2010 with the latest term expiring on 30 November 2014. The rest of the commercial spaces remains vacant.</p> <p>The car parking spaces were leased at a monthly rent of approximately RMB20,500 for June 2010 with a term expiring on 31 December 2010.</p>	<p>23,580,000</p> <p>(95.00% interest attributable to the Group: 22,401,000)</p>
Use	Gross Floor Area Square metres											
Commercial	3,691											
Car Park	<u>1,865</u>											
Total:	<u>5,556</u>											

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 12 January 2000 and a Supplement Contract dated 13 January 2000 entered into between State Owned Land Administration Bureau of Guangzhou and Guangzhou Construction, the property interest is granted to Guangzhou Construction at a consideration of RMB198,000,000 for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on the issue date of Construction Land Use Approval.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 4 sets of Real Estate Titles Confirmation.
- iii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
88.	Basement Car Park Peony Court (紫丹閣) Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises 48 car parking spaces within 3 blocks of 23-storey residential buildings with basement car park completed in 2000.</p> <p>The total gross floor area of the property is approximately 3,450 square metres.</p> <p>The property is held for a term of 70 years for residential purpose commencing on 30 August 1999.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately RMB7,200 for June 2010 with a term expiring on 31 December 2010.</p>	<p>9,600,000</p> <p>(95.00% interest attributable to the Group: 9,120,000)</p>

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 30 August 1999, the property interest is held by Guangzhou Construction.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
89.	Basement Car Park Ju Ya Yuan (聚雅苑) No. 310 Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises 33 basement car park within a 21-storey residential development completed in 2002.</p> <p>The gross floor area of the property is approximately 6,750 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.</p>	As at the date of valuation, the car parking spaces were leased at a monthly rent of approximately RMB4,950 for June 2010 with a term expiring on 31 December 2010.	<p>5,900,000</p> <p>(100.00% interest attributable to the Group: 5,900,000)</p>

Notes:

- i. As specified in a Real Estate Titleship Confirmation dated 21 March 2003, the property interest is held by Grandcity.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Grandcity under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
90.	No. 162 Jiang Nan Da Road Central (江南大道中162號) Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises certain retail spaces on level 1 and level 2 of a 16-storey office building completed in about 1999. The gross floor area of the property is approximately 1,438 square metres. See footnote (ii) for land use right term.	As at the date of valuation, the property was leased at a monthly rent of approximately RMB400,000 for December 2009 with a term expiring on 31 December 2014.	30,100,000 (52.00% interest attributable to the Group: 15,652,000)

Notes:

- i. As specified in 2 sets of Property Ownership Certificate dated 18 May 1999 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Xingye for an undefined term for commercial purposes.
- ii. We have assumed that the property is held for a term of 40 years for commercial purpose and 50 years for other purposes commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under 2 sets of Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
91.	Shop A on Ground Floor Nos. 303, 305 Bao Gang Da Road Ke Yi Ming Ting (可逸名庭) No. 6 Xing Tan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises 2 units of commercial spaces within a 7-storey residential building completed in December 1998. The gross floor area of the property is approximately 739 square metres. The property is held for a term of 70 years for residential purpose and 40 years for commercial purpose commencing on 10 March 1999.	As at the date of valuation, the property was leased to 2 tenants at a total monthly rent of approximately RMB57,044 for June 2010 with the latest term expiring on 30 April 2015.	5,600,000 (52.00% interest attributable to the Group: 2,912,000)

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Xingye for a term of 70 years for residential purpose and 40 years for commercial purpose commencing on 10 March 1999.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under a Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
92.	Shop A on Ground Floor Nos. 295, 297 Bao Gang Da Road Ke Yi Ming Ting (可逸名庭) No. 6 Xing Tan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises 1 unit of commercial spaces within a 7-storey residential building completed in December 1998.</p> <p>The gross floor area of the property is approximately 506 square metres.</p> <p>The property is held for a term of 70 years for residential purpose and 40 years for commercial purpose commencing on 10 March 1999.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 366 square metres was leased at a monthly rent of approximately RMB25,000 for June 2010 with a term expiring on 30 September 2013. The rest of the property remains vacant.</p>	<p>3,500,000</p> <p>(52.00% interest attributable to the Group: 1,820,000)</p>

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Xingye for a term of 70 years for residential purpose and 40 years for commercial purpose commencing on 10 March 1999.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under a Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
93.	Shop B on Level 2 Nos. 289, 291, 299, 301 Bao Gang Da Road Ke Yi Ming Ting (可逸名庭) No. 6 Xing Tan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises 1 unit of commercial spaces within a 7-storey building completed in December 1998.</p> <p>The gross floor area of the property is approximately 820 square metres.</p> <p>The property is held for a term of 70 years for residential purpose and 40 years for commercial purpose commencing on 10 March 1999.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately RMB36,465 for June 2010 with a term expiring on 30 April 2016.</p>	<p>4,500,000</p> <p>(52.00% interest attributable to the Group: 2,340,000)</p>

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Xingye for a term of 70 years for residential purpose and 40 years for commercial purpose commencing on 10 March 1999.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Xingye under a Property Ownership Certificate.
 - b. During the land use rights term, Xingye has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
94.	Shops on Level 1 to Level 4 and Basement Car Park Ren Hui Building (潤匯大廈) No. 65 Jiang Nan Road West Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises certain retail spaces on Level 1 to Level 4 and 96 car parking spaces on basements under a 31-storey commercial/residential building completed in 2002.</p> <p>The total gross floor area of the property is approximately 18,165 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial (1/F – 4/F)</td> <td>11,189</td> </tr> <tr> <td>Basement</td> <td><u>6,976</u></td> </tr> <tr> <td>Total:</td> <td><u>18,165</u></td> </tr> </tbody> </table> <p>The property is held for a term of 40 years for commercial purpose and 50 years for car parking purpose commencing on 20 April 2001.</p>	Use	Gross Floor Area Square metres	Commercial (1/F – 4/F)	11,189	Basement	<u>6,976</u>	Total:	<u>18,165</u>	<p>As at the date of valuation, portion of the commercial spaces with gross floor area of approximately 9,819 square metres was leased to various tenants at a total monthly rent of approximately RMB371,300 for June 2010 with the latest term expiring on 31 May 2014. The rest of the commercial spaces remains vacant.</p> <p>The car parking spaces were leased at a monthly rent of approximately RMB14,700 for June 2010 with a term expiring on 31 December 2010.</p>	<p>90,800,000 (95.00% interest attributable to the Group: 86,260,000)</p>
Use	Gross Floor Area Square metres											
Commercial (1/F – 4/F)	11,189											
Basement	<u>6,976</u>											
Total:	<u>18,165</u>											

Notes:

- i. As specified in a 25 sets of Property Ownership Certificate and a Real Estate Titleship Confirmation, the property interest is held by 廣州市安威城市房產有限公司 for a term of 40 years for commercial purpose and 50 years for car parking purpose commencing on 20 April 2001.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州市安威城市房產有限公司 under 25 sets of Property Ownership Certificate and a Real Estate Titleship Confirmation.
 - b. During the land use rights term, 廣州市安威城市房產有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
95.	Jiang Xing Building (江興大廈) Nos. 78-82 Jiang Nan Da Road Zhong Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises an 18-storey commercial/office building completed in the 1993.</p> <p>The gross floor area of the property is approximately 17,951 square metres.</p> <p>The property is held for a term of 40 year for commercial purposes and 50 years for office purpose commencing on 18 January 1991.</p>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 16,054.3 square metres was leased to various tenants at a total monthly rent of approximately RMB779,792 for June 2010 with the latest term expiring on 31 March 2014. The rest of the property remains vacant.</p>	<p>107,000,000</p> <p>(95.00% interest attributable to the Group: 101,650,000)</p>

Notes:

- i. As specified in a Real Estate Titles Confirmation dated May 1999 issued by Guangzhou State-owned Land and Building Administration Bureau, the property interest is held by Guangzhou Construction for a term of 40 years for commercial purpose and 50 years for office purpose commencing on 18 January 1991.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 19 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
96.	Commercial Units on Level 1 to Level 2 Bin Jiang Yi Yuan (濱江怡苑) Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises certain commercial spaces within blocks of 30-storey residential building and, under which 2-storey commercial podium and basement car park, completed in 2004.</p> <p>The gross floor area of the property is approximately 2,814 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately RMB263,202 for June 2010 with a term expiring on 31 December 2014.</p>	<p>45,200,000</p> <p>(95.00% interest attributable to the Group: 42,940,000)</p>

Notes:

- i. As specified in a Title Certificate dated 21 March 2003 issued by Guangzhou State-own Land Resources and Building Administration Bureau, the property interest is held by 廣州市聚賢城市房產有限公司 for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. We have assumed the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes. The above-mentioned period is by reference to the land use regulations for state-owned land.
- iv. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州市聚賢城市房產有限公司 under 2 sets of Property Ownership Certificate.
 - b. During the land use rights term, 廣州市聚賢城市房產有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
97.	Commercial Units on Level 1 to Level 2 Bin Jiang Yi Yuan (濱江怡苑) Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises certain commercial spaces within blocks of 30-storey residential building and, under which 2-storey commercial podium and basement car park, completed in 2004.</p> <p>The gross floor area of the property is approximately 1,731 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.</p>	<p>As at the date of valuation, the property was leased to various tenants at a total monthly rent of approximately RMB169,956 for June 2010 with the latest term expiring on 31 October 2014.</p>	<p>28,300,000</p> <p>(95.00% interest attributable to the Group: 26,885,000)</p>

Notes:

- i. As specified in a Title Certificate dated 21 March 2003 issued by Guangzhou State-own Land Resources and Building Administration Bureau, the property interest is held by 廣州市廣基城市房產有限公司 for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. We have assumed the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes. The above-mentioned period is by reference to the land use regulations for state-owned land.
- iv. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州市廣基城市房產有限公司 under 3 sets of Property Ownership Certificate.
 - b. During the land use rights term, 廣州市廣基城市房產有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
98.	Commercial Units on Level 1 to Level 2 Bin Jiang Yi Yuan (濱江怡苑) Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises certain commercial spaces within blocks of 30-storey residential building and, under which 2-storey commercial podium and basement car park, completed in 2004.</p> <p>The gross floor area of the property is approximately 2,524 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.</p>	<p>As at the date of valuation, the property was leased to various tenants at a total monthly rent of approximately RMB222,124 for June 2010 with the latest term expiring on 31 October 2014.</p>	<p>26,800,000</p> <p>(95.00% interest attributable to the Group: 25,460,000)</p>

Notes:

- i. As specified in a Title Certificate dated 21 March 2003 issued by Guangzhou State-own Land Resources and Building Administration Bureau, the property interest is held by 廣州市東威城市房產有限公司 for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. We have assumed the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes. The above-mentioned period is by reference to the land use regulations for state-owned land.
- iv. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州市東威城市房產有限公司 under a Property Ownership Certificate.
 - b. During the land use rights term, 廣州市東威城市房產有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
99.	Basement Car Park Bin Jiang Yi Yuan (濱江怡苑) Bin Jiang Dong Road Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises 14 car parking spaces within blocks of 30-storey residential building and, under which 2-storey commercial podium and basement car park, completed in 2004.</p> <p>The gross floor area of the property is approximately 178 square metres.</p> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.</p>	<p>As at the date of valuation, the car parking spaces were leased at a monthly rent of approximately RMB135,401 for June 2010 with a term expiring on 31 October 2014.</p>	<p>3,100,000</p> <p>(95.00% interest attributable to the Group: 2,945,000)</p>

Notes:

- i. As specified in a Title Certificate dated 21 March 2003 issued by Guangzhou State-own Land Resources and Building Administration Bureau, the property interest is held by 廣州市勝基城市房產有限公司 for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 11 December 1998.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. We have assumed the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes. The above-mentioned period is by reference to the land use regulations for state-owned land.
- iv. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州市勝基城市房產有限公司 under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
100.	Basement Level Block 7-12 Nan Kang Court (南康閣) Phase IV of Jiang Nan Estate Bao Gang Da Road Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises a basement level below an 8-storey building completed in June 1995. The gross floor area of the property is approximately 818 square metres. See footnote (ii) for the land use right term.	As at the date of valuation, the property was vacant.	1,000,000 (95.00% interest attributable to the Group: 950,000)

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Guangzhou Construction.
- ii. We have assumed that the property is held for a term of 40 years for commercial purpose commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
101.	Basement Levels 1 and 2 Block 9-2 (南天閣) Phase IV of Jiang Nan New Village (江南新村四期) No. 35 Zi Shan Da Street Jiang Nan Xi Road Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises 2 basement levels of commercial spaces providing a total gross floor area of the property of approximately 1,703 square metres for commercial purpose. See footnote (ii) for the land use right term.	As at the date of valuation, the property was vacant.	2,000,000 (95.00% interest attributable to the Group: 1,900,000)

Notes:

- i. As specified in a Property Ownership Certificate, the property interest is held by Guangzhou Construction.
- ii. We have assumed that the property is held for a term of 40 years for commercial purpose commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
102.	Blocks 5-1, 2 Phase III of Jiang Nan New Village (江南新村三期) No. 8-14 Zi Yu Da Street Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises certain commercial spaces within a multi-storey building completed in June 1989. The gross floor area of the property is approximately 25 square metres. The property is held for a term of 40 years for non-residential purpose commencing on 10 March 1999.	As at the date of valuation, the property was vacant.	500,000 (95.00% interest attributable to the Group: 475,000)

Notes:

- i. As specified in a Property Ownership Certificate dated 18 February 2003 issued by Guangzhou State-owned Land and Building Bureau, the property interest is held by Guangzhou Construction for a term of 40 years for non-residential purpose commencing on 10 March 1999.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
103.	Unit A on 3rd Floor and Units B, C, D, E, F and G on 4th Floor Seascape Square (蛇口海景廣場) No. 18 Tai Zi Road Shekou Industrial District Shenzhen Guangdong Province PRC	<p>The property comprises certain commercial/office spaces on the 3rd and 4th floors within a 33-storey commercial/residential building completed in July 1997.</p> <p>The gross floor area of the property is approximately 4,819 square metres.</p> <p>The property is held for a term expiring on 9 May 2045.</p>	As at the date of valuation, the property has been contracted to be sold.	<p>33,000,000</p> <p>(100.00% interest attributable to the Group: 33,000,000)</p>

Notes:

- i. As specified in 7 sets of Property Ownership Certificate, the property is held by Guangzhou Investment (HK Property) Company Limited for a term expiring on 9 May 2045.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Investment (HK Property) Company Limited under 7 sets of Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Investment (HK Property) Company Limited has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
- iii. The property has been contracted to be sold under 7 sets of sales and purchases agreement. The transaction of the units has been completed subsequent to the date of valuation.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB												
104.	Yue Xiu Plaza (大連越秀大廈) Xinkai Road Xi Gang District Dalian Liaoning Province The PRC	<p>The property comprises certain apartment units, club house, 5-storey commercial podium and 3-storey basement within a 33-storey commercial/apartment building.</p> <p>The total gross floor area of the property is approximately 18,143 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>283</td> </tr> <tr> <td>Club House</td> <td>1,276</td> </tr> <tr> <td>Podium</td> <td>8,689</td> </tr> <tr> <td>Basement</td> <td><u>7,895</u></td> </tr> <tr> <td>Total:</td> <td><u>18,143</u></td> </tr> </tbody> </table> <p>The property is held under a Land Use Rights Certificate for a term of 50 years commencing on 3 November 1994.</p>	Use	Gross Floor Area Square metres	Residential	283	Club House	1,276	Podium	8,689	Basement	<u>7,895</u>	Total:	<u>18,143</u>	<p>As at the date of valuation, portion of the property with gross floor area of approximately 8,676 square metres was leased to various tenants at a total monthly rent of approximately RMB304,048 for June 2010 with the latest term expiring on 31 October 2015. The rest of the property remains vacant.</p>	<p>69,000,0000</p> <p>(100.00% interest attributable to the Group: 69,000,000)</p>
Use	Gross Floor Area Square metres															
Residential	283															
Club House	1,276															
Podium	8,689															
Basement	<u>7,895</u>															
Total:	<u>18,143</u>															

Notes:

- i. As specified in a Land Use Rights Certificate dated 8 December 1999 issued by the State Land Administration Bureau of Dalian, the property interest is held by 大連堅柏房地產開發有限公司.
- ii. A development scheme with a total gross floor area of 45,701 square metres has been approved by 大連市城鄉規劃土地局 via a Construction Works Planning Permit issued on 23 August 2000.
- iii. The enterprise has been approved by the People's Government of Dalian via a certificate dated 30 May 1994 and has been registered with the State Administration for Industry and Commerce as revealed by a business licence issued on 20 June 1994.
- iv. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 大連堅柏房地產開發有限公司 under 5 sets of Property Ownership Certificate.
 - b. During the land use rights term, 大連堅柏房地產開發有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
- v. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.

Group III — Property Interests Held for Owner Occupation

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
105.	Espring Hotel (逸泉國際大酒店) Yiquan Shanzhuang Jiekou Street Conghua District Guangzhou Guangdong Province The PRC	<p>The property comprises a piece of land with a land area of approximately 28,570 square metres on which 6 blocks of single- to 7-storey buildings are erected. The buildings were completed in 2006.</p> <p>The gross floor area of the property is approximately 35,903 square metres.</p> <p>The property, being operated as Espring Hotel, has 204 guest rooms. The hotel provides food and beverage services by a Chinese restaurant and a Spanish restaurant with a total seats of about 480. The hotel also accommodates a convention centre (400 square metres), 7 conference rooms, a Karaoke club and a recreation centre.</p> <p>The property is held under 6 sets of Property Ownership Certificate for hotel use with the latest term expired on 13 May 2071.</p>	<p>As at the date of valuation, the property was held and operated by the owner as hotel.</p> <p>The total revenue generated by the property in 2009 is about RMB26,970,800.</p>	<p>166,000,000</p> <p>(95.00% interest attributable to the Group: 157,700,000)</p>

Notes:

- i. As specified in 6 sets of Property Ownership Certificate dated between 20 June 2008 and 24 June 2008 issued by the People's Government of Guangdong Province, the property interest is held by Jingcheng for hotel use with the latest term expiring on 13 May 2071.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Jingcheng under 6 sets of Property Ownership Certificate.
 - b. During the land use rights term, Jingcheng has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
106.	Flat B, 3rd Floor Xiangdu Garden (大連香都花園) No. 151 Shengli Road Xigang District Dalian Liaoning Province The PRC	The property comprises 1 unit in a 4-storey office building completed in about 1993. The gross floor area of the property is approximately 115 square metres. The property is held under a Sales and Purchase Agreement.	As at the date of valuation, the property was occupied by the Group as office.	460,000 (100.00% interest attributable to the Group: 460,000)

Notes:

- i. According to a Sales and Purchase Agreement entered into between Perfect Base Development Limited (香港堅柏發展有限公司) (the “Purchaser”) and 大連興達房地產有限公司 (the “Seller”) dated 14 June 1994, the Seller agreed to sell the property to the Purchaser.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Perfect Base Development Limited under a Property Ownership Certificate.
 - b. During the land use rights term, Perfect Base Development Limited has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

Group IV — Property Interests Held for Sale

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
107.	Unsold Units of Phase II of Tong De (同德二期) Nos. 121-155 Tong Jing Street Bai Yun District Guangzhou Guangdong Province The PRC	The property comprises certain residential units in a 33-storey residential building which was completed in about 2008. The gross floor area of the property is approximately 11,710 square metres. The property is held for a term of 70 years for residential purpose commencing on 18 March 1999.	As at the date of valuation, the property was held for sale.	40,000,000 (95.00% interest attributable to the Group: 38,000,000)

Notes:

- i. According to 10 sets of Real Estate Titleship Confirmation, the property is held by Guangzhou Construction for a term of 70 years for residential purpose commencing on 18 March 1999.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 10 sets of Real Estate Titleship Confirmation.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
108.	Unsold Units of Xing Hui Qing Xuan (星匯晴軒) 21-29 Xinyi Road Bai Yun District Guangzhou Guangdong Province The PRC	The property comprises certain commercial spaces and 45 car parking spaces in a 2-storey basement car park within a residential development namely Xing Hui Qing Xuan which was completed in about 2008. The total gross floor area of the property is approximately 1,919 square metres. Detailed breakdown as follows: <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial (1/F)</td> <td>926</td> </tr> <tr> <td>Car Park</td> <td>993</td> </tr> <tr> <td>Total:</td> <td><u>1,919</u></td> </tr> </tbody> </table>	Use	Gross Floor Area Square metres	Commercial (1/F)	926	Car Park	993	Total:	<u>1,919</u>	As at the date of valuation, the property was held for sale.	24,000,000 (95.00% interest attributable to the Group: 22,800,000)
Use	Gross Floor Area Square metres											
Commercial (1/F)	926											
Car Park	993											
Total:	<u>1,919</u>											
		The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 7 September 2005.										

Notes:

- i. According to a Real Estate Titleship Confirmation dated 24 June 2008, the property is held by Guangzhou Construction for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 7 September 2005.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
109.	Unsold Units of Ling Nan Ya Yuan (嶺南雅院) Mingde Street Xicha Road Bai Yun District Guangzhou Guangdong Province The PRC	<p>The property comprises certain commercial spaces and 233 car parking spaces in a 2-storey basement car park within a residential development namely Ling Nan Ya Yuan which was completed in about 2009.</p> <p>The total gross floor area of the property is approximately 4,161 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial (1/F)</td> <td>628</td> </tr> <tr> <td>Car Park</td> <td><u>3,533</u></td> </tr> <tr> <td>Total:</td> <td><u>4,161</u></td> </tr> </tbody> </table> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose.</p>	Use	Gross Floor Area Square metres	Commercial (1/F)	628	Car Park	<u>3,533</u>	Total:	<u>4,161</u>	As at the date of valuation, the property was held for sale.	26,600,000 (95.00% interest attributable to the Group: 25,270,000)
Use	Gross Floor Area Square metres											
Commercial (1/F)	628											
Car Park	<u>3,533</u>											
Total:	<u>4,161</u>											

Notes:

- i. According to 4 sets of Real Estate Titles Confirmation dated 12 May 2009, the property is held by Guangzhou Construction for a term of 70 years for residential purpose, 40 years for commercial purpose.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under 4 sets of Real Estate Titles Confirmation.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
110.	Unsold Units of Long De Building (隆德大厦) Tian He District Guangzhou Guangdong Province The PRC	The property comprises 76 car parking spaces in a 2-storey basement car park within a 30 storey residential building which was completed in about 2005. The gross floor area of the property is approximately 889 square metres. The property is held under Property Ownership Certificate.	As at the date of valuation, the property was held for sale.	9,500,000 (95.00% interest attributable to the Group: 9,025,000)

Notes:

- i. According to 76 sets of Property Ownership Certificate the property is held by Guangzhou Construction.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Property Ownership Certificate.
 - b. During the land use rights term, Guangzhou Construction has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>								
111.	Yangcheng International Trading Centre (羊城國際貿易中心) No. 122 Ti Yu Dong Road Tian He District Guangzhou Guangdong Province The PRC	The property comprises certain commercial units and 40 car parking spaces within two 26- to 36-storey office building with completed in 2004. The total gross floor area of the property is approximately 634 square metres. Detailed breakdown is as follows:	As at the date of valuation, the property was held for sale.	10,300,000 (95.00% interest attributable to the Group: 9,785,000)								
		<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area <i>Square metres</i></th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>134</td> </tr> <tr> <td>Car Park</td> <td><u>500</u></td> </tr> <tr> <td>Total:</td> <td><u>634</u></td> </tr> </tbody> </table>	Use	Gross Floor Area <i>Square metres</i>	Commercial	134	Car Park	<u>500</u>	Total:	<u>634</u>		
Use	Gross Floor Area <i>Square metres</i>											
Commercial	134											
Car Park	<u>500</u>											
Total:	<u>634</u>											
		The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose.										

Notes:

- i. The People's Court has ruled that the ownership of the carparking spaces and commercial spaces is held by Guangzhou Construction since 25 April 2008.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. No title document has been obtained yet. However, the People's Court has ruled that Guangzhou Construction has the ownership of the carparking spaces and commercial spaces since 25 April 2008.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
112.	Unsold Units of Hongcheng Garden (宏城花園) Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises certain residential units in a 33-storey residential building which was completed in about 2008. The gross floor area of the property is approximately 1,296 square metres. The property is held for a term of 70 years for residential purpose commencing on 24 December 2008.	As at the date of valuation, the property was held for sale.	18,600,000 (100.00% interest attributable to the Group: 18,600,000)

Notes:

- i. According to a Real Estate Titleship Confirmation dated 24 December 2008, the property is held by Grandcity for a term of 70 years for residential purpose commencing on 18 September 2000.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. No title document has been obtained for the property. However, Grandcity has obtained a Construction Project Planning Inspection and Clearance Certificate, there is no legal impediment for the application of title confirmation or Property Ownership Certificate by Grandcity.
 - b. Grandcity is the beneficial owner of the property.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
113.	Unsold Units of Wen De Ya Xuan (文德雅軒) No.9-19 Ju Ren Fang Dezheng Zhong Road Yue Xiu District Guangzhou Guangdong Province The PRC	The property comprises 28 car parking spaces in a 2-storey basement car park within a 24 storey residential building which was completed in about 2004. The gross floor area of the property is approximately 1,995 square metres. The property is held for a term of 70 years for residential purpose commencing on 18 September 2000.	As at the date of valuation, the property was held for sale.	4,000,000 (100.00% interest attributable to the Group: 4,000,000)

Notes:

- i. According to a Real Estate Titleship Confirmation dated 21 June 2004, the property is held by Grandcity for a term of 70 years for residential purpose commencing on 18 September 2000.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Grandcity under a Real Estate Titleship Confirmation.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB										
114.	Unsold Units of Springland Garden (翠城花園) Cui Cheng Street Hai Zhu District Guangzhou Guangdong Province The PRC	<p>The property comprises certain residential units, commercial spaces and 539 car parking spaces in a 2-storey basement car park within a residential development namely Springland Garden which was completed in about 2000.</p> <p>The total gross floor area of the property is approximately 23,832 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>2,780</td> </tr> <tr> <td>Commercial</td> <td>11,287</td> </tr> <tr> <td>Car Park</td> <td>9,765</td> </tr> <tr> <td>Total:</td> <td><u>23,832</u></td> </tr> </tbody> </table> <p>See footnote (vi) for the land use rights term.</p>	Use	Gross Floor Area Square metres	Residential	2,780	Commercial	11,287	Car Park	9,765	Total:	<u>23,832</u>	<p>As at the date of valuation, the property is held for owner occupation, sale and leasing.</p> <p>The residential units, certain commercial spaces with gross floor area of approximately 2,033 square metres and the rest of the car parking spaces were held for sales.</p>	<p>224,900,000</p> <p>(100.00% interest attributable to the Group: 224,900,000)</p>
Use	Gross Floor Area Square metres													
Residential	2,780													
Commercial	11,287													
Car Park	9,765													
Total:	<u>23,832</u>													

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 28 June 1992 and supplementary contract dated 28 August 1992 entered into between the Town Construction Committee of Guangzhou and Yue Xiu Enterprises Limited, the property interest is granted to Charcon.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Charcon under 4 sets of Real Estate Titleship Confirmation.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.
- v. We have assumed that the property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state owned land.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
115.	Unsold Units of Rayon Jardin (可逸豪苑) Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises certain residential units, commercial spaces and 575 car parking spaces in a 2-storey basement car park within a residential development namely Royon Jardin which was completed in about 2009.	As at the date of valuation, the property is held for sale.	185,600,000 (95.00% interest attributable to the Group: 176,320,000)
		The total gross floor area of the property is approximately 17,754 square metres. Detailed breakdown as follows:		
		Use	Gross Floor Area	
			<i>Square metres</i>	
		Residential	7,901	
		Commercial (1/F)	2,880	
		Car Park	<u>6,973</u>	
		Total:	<u>17,754</u>	
		The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 7 September 2005.		

Notes:

- i. According to a Real Estate Titleship Confirmation dated 24 June 2008, the property is held by Guangzhou Construction for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for other purposes commencing on 7 September 2005.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Guangzhou Construction under a Real Estate Titleship Confirmation.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
116.	Unsold Units of Haizhu Garden (海珠花園) Hai Zhu District Guangzhou Guangdong Province The PRC	The property comprises certain commercial spaces within a residential development namely Phase I of Haizhu Garden which was completed in about 2000. The gross floor area of the property is approximately 6,933 square metres. see footnote (iii) for the land use rights term.	As at the date of valuation, the property is held for sale.	56,100,000 (interest attributable to the Group: 54,130,000) (see footnote ii)

Notes:

- i. Opinion of the PRC Legal Advisors are summarized as follows:
 - a. As specified in a Real Estate Titleship Confirmation, the property is held by 廣州市仲源房地產開發有限公司.
 - b. 廣州市仲源房地產開發有限公司 transferred the property to Guangzhou Construction and Grandcity as compensation of loans.
 - c. The application of Property Ownership Certificate is pending.
 - d. Guangzhou Construction and Grandcity are the beneficial owners of the property.
- ii. Portion of the commercial spaces with gross floor area of approximately 4,869 square metres is held by Guangzhou Construction (a 95% owned subsidiary of the Company) while the remaining portion of the commercial spaces is held by Grandcity (a wholly owned subsidiary of the Company).
- iii. We have assumed that the property is held for a term of 70 years for residential purpose, 40 years for commercial purposes and 50 years for other purposes commencing on the date of Land Use Rights Certificate to be issued to the property. The above-mentioned period is by reference to the land use regulations for state-owned land.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
117.	Unsold Units of Conghua Glade Village (逸泉山莊大B,C,E區) Jiekou Street Conghua District Guangzhou Guangdong Province The PRC	<p>The property comprises certain residential units within a residential development namely Conghua Glade Village which was completed in about 2005.</p> <p>The total gross floor area of the property is approximately 11,453 square metres.</p> <p>The property is held for a term expiring on 23 November 2069 for residential use.</p>	As at the date of valuation, the property is held for sale.	73,600,000 (95.00% interest attributable to the Group: 69,920,000)

Notes:

- i. According to 39 sets of Real Estate Titleship Confirmation, the property is held by Jingcheng for a term expiring on 23 November 2069 for residential use.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Jingcheng under 39 sets of Real Estate Titleship Confirmation.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding, the valuation is based on the assumption that there is no impediment for the developer to obtain such outstanding approvals and consents.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>RMB</i>
118.	Unsold portion of Southern Le Sand Phase II and III (南沙濱海花園二期及三期) Guang Long Management District Nansha Economic Technical Development Zone (南沙開發區廣隆管理區) Nansha District Guangzhou Guangdong Province The PRC	<p>The property comprises 80 blocks of detached/semi-detached garden houses, 72 residential units in 13 blocks of 16 to 18-storey apartment buildings and certain commercial units in 34 blocks of 2- to 5-storey commercial buildings in Phase I, II and III of Southern Le Sand (南沙濱海花園) which were completed in 2003 to 2009.</p> <p>The subject property, being the unsold portion of Southern Le Sand Phase II and III, has a total gross floor area of approximately 32,711 square metres. Detailed breakdown as follow:</p>	As at the date of valuation, the property is held for sale.	126,900,000 (95.00% interest attributable to the Group: 120,555,000)
		Gross Floor Area		
		<i>Square metres</i>		
		Residential (Houses)	8,022	
		Residential (Apartments)	496	
		Commercial	<u>24,193</u>	
		Total:	<u><u>32,711</u></u>	
		The property is held under a land use rights grant contract for a term of 70 years for residential purpose and 40 years for commercial / tourism purposes commencing on the issue date of Land Use Rights Certificate.		

Notes:

- i. As specified in a Land Use Rights Grant Contract dated 16 November 2000 and a Supplementary Contract dated 2 April 2001 entered into between the State Owned Land Administration Office of Guangzhou Nansha Economic Technical Development Zone and Nansha, the land use rights of the property was agreed to be granted to Nansha for a term of 70 years for residential purpose, 40 years for commercial/tourism purposes commencing on the issue date of Land Use Rights Certificate.

- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by Nansha under 4 sets of Real Estate Titleship Confirmation.
 - b. The property is subject to a mortgage.
- iii. Our valuation has been made on the assumption that all necessary licences, approval and consent for the building construction have been obtained from the relevant government authorities.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
119.	Basement Level Haikou Cai Fu Plaza (海口財富廣場) Financial Zone Haikou Hainan Province The PRC	<p>The property comprises certain commercial spaces on basement level under a 32-storey residential building and a 32-storey office/hotel building development.</p> <p>The gross floor area of the property is approximately 4,870 square metres.</p> <p>The property is held for a term of 70 years for residential purpose commencing on 1 January 1985.</p>	As at the date of valuation, the property is held for sale.	23,200,000 (52.00% interest attributable to the Group: 12,064,000)

Notes:

- i. A development scheme proposed to be built on a land of 12,228 square metres has been approved by the Town Planning Bureau of Haikou 海口市城市規劃局 via a Construction Land Planning Permit issued on 27 September 1993.
- ii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 海南華城房地產開發有限公司 under a Property Ownership Certificate.
 - b. During the land use rights term, 海南華城房地產開發有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
- iii. In respect of the property interests of which some of the approvals and consents remain outstanding and the land premium is not fully settled, the valuation is based on the assumption that there is no impediment for the owner to obtain such approvals and consents and to pay such land premium respectively.
- iv. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.

Group V — Property Interests Held under Real Estate Investment Trust (REIT)

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
120.	Portion held under REIT Victory Plaza (維多利廣場) No. 101 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	<p>Victoria Plaza comprises a commercial/office development which includes two office buildings with 52-storey and 36-storey, namely Tower A and Tower B respectively, above a 6-level commercial podium and 4-level basement car park completed in 2003.</p> <p>The property comprises 6-storey commercial podium of Victory Plaza.</p> <p>The gross floor area of the property is approximately 27,262 square metres.</p> <p>The property is held under a Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial/tourism purposes, and 50 years for other purposes commencing on 8 March 2004.</p>	<p>As at the date of valuation, portion of the commercial spaces with gross floor area of approximately 37,224 square metres was leased to various tenants at a total monthly rent of approximately RMB4,214,288 for July 2010 with the latest term expiring on 27 September 2017.</p> <p>The rest of the commercial spaces remains vacant.</p>	<p>600,200,000 (35.58% interest attributable to the Group: 213,551,160)</p>

Notes:

- i. As specified in a Land Use Rights Certificate dated 9 July 2001 and a Land Use Rights Grant Contract dated 27 July 1997 both issued or entered into by the State Land Administration Bureau of Guangzhou, the property interest is held by 京澳有限公司 for a term of 70 years for residential purpose, 40 years for commercial/tourism purposes and 50 years for other purposes commencing on 8 March 2004.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 京澳有限公司 under 9 sets of Property Ownership Certificate.
 - b. During the land use rights term, 京澳有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
121.	Portion held under REIT City Development Plaza (城建大厦) Nos. 185-189 Ti Yu Xi Road Tian He District Guangzhou Guangdong Province The PRC	<p>City Development Plaza comprises a 23-storey office building above a 5-level commercial podium with a 2-storey basement car park completed in 1997.</p> <p>The property comprises certain commercial spaces and office spaces of City Development Plaza.</p> <p>The total gross floor area of the property is approximately 42,398 square metres. Detailed breakdown as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: right;">11,758</td> </tr> <tr> <td>Office</td> <td style="text-align: right;"><u>30,640</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>42,398</u></td> </tr> </tbody> </table> <p>The property is held under a Land Use Rights Certificate for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for others purposes commencing on 27 January 1997.</p>	Use	Gross Floor Area Square metres	Commercial	11,758	Office	<u>30,640</u>	Total:	<u>42,398</u>	<p>As at the date of valuation, the office spaces was leased to various tenants at a total monthly rent of approximately RMB3,035,517 for July 2010 with the latest term expiring on 31 December 2015.</p> <p>The commercial spaces was leased to various tenants at a total monthly rent of approximately RMB722,901 for July 2010 with the latest term expiring on 30 June 2016.</p>	<p>439,600,000</p> <p>(35.58% interest attributable to the Group: 156,409,680)</p>
Use	Gross Floor Area Square metres											
Commercial	11,758											
Office	<u>30,640</u>											
Total:	<u>42,398</u>											

Notes:

- i. As specified in various Property Ownership Certificates issued in 2002 by Guangzhou Real Estate Administration Bureau, the property interest is held by 福達地產投資有限公司 for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for others purposes commencing on 27 January 1997.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 福達地產投資有限公司 under various Property Ownership Certificate.
 - b. During the land use rights term, 福達地產投資有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
122.	Portion held under REIT Fortune Plaza (財富廣場) Nos. 114-118 Ti Yu Dong Road Tian He District Guangzhou Guangdong Province The PRC	<p>Fortune Plaza comprises a commercial/office development which includes two office buildings with 27-storey and 37-storey, namely West Tower and East Tower respectively, above a 6-level commercial podium with a basement car park completed in 2003.</p> <p>The property comprises certain commercial spaces and office spaces of Fortune Plaza.</p> <p>The total gross floor area of the property is approximately 41,355 square metres. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>3,853</td> </tr> <tr> <td>Office</td> <td><u>37,502</u></td> </tr> <tr> <td>Total:</td> <td><u>41,355</u></td> </tr> </tbody> </table> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for others purposes commencing on 26 November 2002.</p>	Use	Gross Floor Area Square metres	Commercial	3,853	Office	<u>37,502</u>	Total:	<u>41,355</u>	<p>As at the date of valuation, portion of the office spaces with gross floor area of approximately 37,352 square metres was leased to various tenants at a total monthly rent of approximately RMB3,985,099 for July 2010 with the latest term expiring on 31 July 2015. The rest of the office spaces remains vacant.</p> <p>The commercial spaces was leased to various tenants at a total monthly rent of approximately RMB891,529 for July 2010 with the latest term expiring on 31 December 2011.</p>	<p>609,500,000 (35.58% interest attributable to the Group: 216,860,100)</p>
Use	Gross Floor Area Square metres											
Commercial	3,853											
Office	<u>37,502</u>											
Total:	<u>41,355</u>											

Notes:

- i. As specified in 83 sets of Property Ownership Certificate, the property interest is held by 金峰有限公司 for a term of 70 years for residential purpose, 40 years for commercial purpose and 50 years for others purposes commencing on 26 November 2002.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 金峰有限公司 under 83 sets of Property Ownership Certificate.
 - b. During the land use rights term, 金峰有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB
123.	Portion held under REIT White Horse Commercial Building (白馬商貿大廈) Nos. 14-18 Zhan Nan Road Yue Xiu District Guangzhou Guangdong Province The PRC	<p>White Horse Commercial Building comprises a commercial development with 8-storey commercial building with a storey of basement commercial spaces and a basement car park completed in 1990.</p> <p>The property comprises a 8-storey commercial building with a storey of basement commercial spaces of White Horse Commercial Building.</p> <p>The gross floor area of the property is approximately 50,199 square metres.</p> <p>The property is held for a term of 40 years for commercial purpose and 50 years for others purposes commencing on 7 June 2005.</p>	<p>As at the date of valuation, portion of the commercial spaces with gross floor area of approximately 50,008 square metres was leased to various tenants at a total monthly rent of approximately RMB18,243,672 for July 2010 with the latest term expiring on 31 May 2015. The rest of the commercial spaces remains vacant.</p>	<p>2,973,000,000</p> <p>(35.58% interest attributable to the Group: 1,057,793,400)</p>

Notes:

- i. As specified in a Property Ownership Certificate issued by the Guangzhou Real Estate Administration Bureau, the property interest is held by 柏達投資有限公司 for a term of 40 years for commercial purpose and 50 years for others purposes commencing on 7 June 2005.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 柏達投資有限公司 under 9 sets of Property Ownership Certificate.
 - b. During the land use rights term, 柏達投資有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 RMB								
124.	Portion held under REIT Yuexiu Metropolis (越秀新都會) Nos. 232-258 Zhong Shan Liu Road Yue Xiu District Guangzhou Guangdong Province The PRC	<p>Yuexiu Metropolis comprises a 26-storey commercial/office building with 3-storey basement completed in 2005.</p> <p>The property comprises certain office spaces, certain commercial spaces of Yuexiu Metropolis.</p> <p>The total gross floor area of the property is approximately 49,888 square metres. Detailed breakdown as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: right;">Gross Floor Area Square metres</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td style="text-align: right;">15,446</td> </tr> <tr> <td>Office</td> <td style="text-align: right;"><u>34,442</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>49,888</u></td> </tr> </tbody> </table> <p>The property is held for a term of 70 years for residential purpose, 40 years for commercial/tourism/entertainment purposes and 50 years for other purposes commencing on 22 November 2005.</p>	Use	Gross Floor Area Square metres	Commercial	15,446	Office	<u>34,442</u>	Total:	<u>49,888</u>	<p>As at the date of valuation, portion of the office spaces with gross floor area of approximately 33,782 square metres was leased to various tenants at a total monthly rent of approximately RMB2,604,639 for July 2010 with the latest term expiring on 30 September 2013. The rest of the office spaces remains vacant.</p> <p>The commercial spaces was leased to various tenants at a total monthly rent of approximately RMB1,486,418 for July 2010 with the latest term expiring on 31 December 2016.</p>	<p>626,100,000</p> <p>(35.58% interest attributable to the Group: 222,766,380)</p>
Use	Gross Floor Area Square metres											
Commercial	15,446											
Office	<u>34,442</u>											
Total:	<u>49,888</u>											

Notes:

- i. As specified in 240 sets of Property Ownership Certificate, the property interest is held by 廣州捷雅城房地產開發有限公司.
- ii. Our valuation has been made on the assumption that all necessary licences, approvals and consents for the building construction have been obtained from the relevant government authorities.
- iii. Opinions of the PRC Legal Advisors are summarized as follows:
 - a. The property is held by 廣州捷雅城房地產開發有限公司 under 240 sets of Property Ownership Certificate.
 - b. During the land use rights term, 廣州捷雅城房地產開發有限公司 has the rights to occupy, use, give, transfer, lease, mortgage or otherwise legally dispose of the property without paying any additional premiums to the relevant government authorities.
 - c. The property is subject to a mortgage.

*PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG***Group I — Property Interests Held for Development**

NIL

Group II — Property Interests Held for Investment

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
125.	Car Parking Spaces on 1st to 4th Floors Seabright Plaza Nos. 9-23 Shell Street North Point Hong Kong	The property comprises 69 car parking spaces (as shown on the registered floor plans) on the 1st to 4th Floors of Seabright Plaza, which is a 29-storey office building completed in 1992.	As at the date of valuation, the property was leased either on monthly or hourly basis.	24,200,000 (100.00% interest attributable to the Group: 24,200,000)
	276/15,000th parts or shares of and in the Remaining Portions of Sections C, R and S, the Remaining Portions of Sub-Sections 1 of Sections C and S, the Remaining Portions of Sub-Sections 1, 2 and 3 of Section R of Inland Lot No. 2273	The property is held under a Government Lease for a term of 75 years renewable for a further term of 75 years commencing on 25 August 1919.	The total rental income generated from the property was approximately HK\$1,101,572 for the period from January to June of 2010.	

Notes:

- i. The registered owner of the property is Elsbarg Limited via Memorial No. UB6813454 registered on 14 November 1996.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600027.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 <i>HK\$</i>														
126.	Shops on 1st to 3rd Floors (excluding Flat Roof thereof) and offices on 5th Floor and 10th Floor Yue Hing Building No. 103 Hennessy Road Wanchai Hong Kong 1,859/9,302nd parts or shares of and in the Remaining Portions of Inland Lot Nos. 3827, 3828 and 3829	<p>The property comprises 3 retail floors on the 1st to 3rd Floors and 2 office floors on the 5th and 10th Floors of Yue Hing Building, which is a 24-storey commercial building completed in 1995.</p> <p>The total gross floor area of the property is approximately 929.21 square metres (10,002 square feet).</p> <p>The approximate gross floor areas of the various floors are as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Floor</th> <th style="text-align: right;">Gross Floor Area <i>Square metres</i></th> </tr> </thead> <tbody> <tr><td>1/F</td><td style="text-align: right;">214.79</td></tr> <tr><td>2/F</td><td style="text-align: right;">214.79</td></tr> <tr><td>3/F</td><td style="text-align: right;">214.79</td></tr> <tr><td>5/F</td><td style="text-align: right;">142.42</td></tr> <tr><td>10/F</td><td style="text-align: right;">142.42</td></tr> <tr><td>Total:</td><td style="text-align: right;"><u>929.21</u></td></tr> </tbody> </table> <p>The property is held under three Government Leases, all for a term of 99 years commencing on 25 May 1929, with the right of renewal for a further term of 99 years.</p>	Floor	Gross Floor Area <i>Square metres</i>	1/F	214.79	2/F	214.79	3/F	214.79	5/F	142.42	10/F	142.42	Total:	<u>929.21</u>	<p>As at the date of valuation, the property was leased to various tenants at a total monthly rent of approximately HK\$288,883, exclusive of rates and management fee, for June 2010 with the latest term expiring on 30 November 2011.</p>	<p>55,400,000</p> <p>(100.00% interest attributable to the Group: 55,400,000)</p>
Floor	Gross Floor Area <i>Square metres</i>																	
1/F	214.79																	
2/F	214.79																	
3/F	214.79																	
5/F	142.42																	
10/F	142.42																	
Total:	<u>929.21</u>																	

Notes:

- i. The registered owner of the property is Fundscore Development Limited via Memorial No. UB4120419 registered on 23 June 1989.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600043.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 <i>HK\$</i>
127.	Car Parking Spaces on Basement and 2nd to 4th Floor Yue Xiu Building Nos. 160-174 Lockhart Road Wanchai Hong Kong	The property comprises 60 car parking spaces (as shown on the registered floor plans) on the Basement and 2nd to 4th Floors of Yue Xiu Building, which is a 29-storey office building completed in 1987. The property is held under five Government Leases. Inland Lot No. 2794 is held for a term of 99 years commencing on 6 March 1929, with a right of renewal for a further term of 99 years. Inland Lot No. 2793, 5685, 5686 and 5687 are held for a term of 99 years commencing on 25 May 1929, with a right of renewal for a further term of 99 years.	As at the date of valuation, the property was leased either on monthly or hourly basis. The total rental income generated from the property was approximately HK\$954,792 for the period from January to June of 2010.	30,000,000 (100.00% interest attributable to the Group: 30,000,000)

Notes:

- i. The registered owner of the property is Yue Xiu Property Development Limited.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 4 June 2008 via Memorial No. 08060402770207.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
128.	Shop Nos. G01 and G02 on Upper Ground Floor, Shop Nos. 102 to 105, 107, 109, 117, 119, 122, 131, 156 and 157 on 1st Floor and 220 on 2nd Floor Oriental 188 Shopping Centre Kwong Sang Hong Building Blocks C and D No. 188 Wanchai Road Wanchai Hong Kong 76/3,620th parts or shares of and in the Remaining Portions of Marine Lot Nos. 113 and 114	The property comprises 2 retail units on the Upper Ground Floor, 12 retail units on the 1st Floor and 1 retail unit on the 2nd Floor of Oriental 188 Shopping Centre, which is a 4-level shopping arcade within a 26-storey composite building completed in 1980. The total gross floor area of the property is approximately 301.75 square metres (3,248 square feet). The property is held under two Government Leases, both for a term of 999 years commencing on 11 October 1859.	As at the date of valuation, the property was leased to various tenants at a total monthly rent of approximately HK\$218,592, exclusive of rates and management fee, for June 2010 with the latest term expiring on 30 June 2012.	49,500,000 (100.00% interest attributable to the Group: 49,500,000)

Notes:

- i. The registered owner of the property is Jumbo Good Development Limited.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600061.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
129.	Office A (including Lavatory) on 13th Floor Kiu Fu Commercial Building Nos. 300, 302, 304 & 306 Lockhart Road Wanchai Hong Kong 10/628th parts or shares of and in the Remaining Portions of Inland Lot Nos. 6996, 6997, 6998 and 6999	The property comprises an office unit on the 13th Floor of Kiu Fu Commercial Building, which is a 23-storey office building completed in 1992. The total gross floor area of the property is approximately 98.85 square metres (1,064 square feet). The property is held under a Government Lease for a term of 99 years renewable for a further term of 99 years commencing on 14 April 1928.	As at the date of valuation, the property was leased at a monthly rent of approximately HK\$15,500, exclusive of rates and management fee, for June 2010 with a term expiring on 28 June 2011.	4,580,000 (100.00% interest attributable to the Group: 4,580,000)

Note:

- i. The registered owner of the property is Green Park Development Limited via Memorial No. 06061300160017 registered on 13 June 2006.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600567.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
130.	Unit C on 20th Floor Li Chit Garden No. 1 Li Chit Street Wanchai Hong Kong 51/10,370th parts or shares of and in Inland Lot No. 8797	<p>The property comprises a domestic unit on the 20th Floor of a 30-storey residential building erected on a 3-level podium block completed in 1994.</p> <p>The gross floor area of the property is approximately 54.25 square metres (584 square feet).</p> <p>The property is held under Conditions of Exchange No. 12307 for a term commencing on 28 April 1994 until 30 June 2047.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately HK\$10,000, inclusive of rates and management fee, for June 2010 with a term expiring on 24 September 2011.</p>	<p>4,090,000</p> <p>(100.00% interest attributable to the Group: 4,090,000)</p>

Note:

- i. The registered owner of the property is Bond Master Limited via Memorial No. 06061400530048 registered on 14 June 2006.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600545.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
131.	Unit C on 21st Floor Li Chit Garden No. 1 Li Chit Street Wanchai Hong Kong 51/10,370th parts or shares of and in Inland Lot No. 8797	<p>The property comprises a domestic unit on the 21st Floor of a 30-storey residential building erected on a 3-level podium block completed in 1994.</p> <p>The gross floor area of the property is approximately 54.25 square metres (584 square feet).</p> <p>The property is held under Conditions of Exchange No. 12307 for a term commencing on 28 April 1994 until 30 June 2047.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately HK\$11,000, inclusive of rates and management fee, for June 2010 with a term expiring on 31 July 2011.</p>	<p>4,090,000</p> <p>(100.00% interest attributable to the Group: 4,090,000)</p>

Note:

- i. The registered owner of the property is Able Step Investment Limited via Memorial No. 06061400530024 registered on 14 June 2006.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600554.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
132.	Flat E on 20th Floor of Block 5 City Garden Nos. 231-233 Electric Road North Point Hong Kong	The property comprises a domestic unit on the 20th Floor of Block 5, which is a 27-storey residential block erected on a recreational level and 3 car parking basement levels within City Garden, completed in 1983.	As at the date of valuation, the property was leased at a monthly rent of approximately HK\$23,000, inclusive of rates and management fee, for June 2010 with a term expiring in July 2011.	7,570,000 (100.00% interest attributable to the Group: 7,570,000)
	28/100,180th parts or shares of and in Inland Lot No. 8580	The gross floor area of the property is approximately 92.53 square metres (996 square feet). The property is held under Conditions of Exchange No. 11652 for a term of 75 years renewable for a further term of 75 years commencing on 31 August 1914.		

Notes:

- i. The registered owner of the property is Jamsin Limited via Memorial No. UB6101461 registered on 25 August 1994.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600343.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
133.	Shops on Ground Floor, Shops on 1st Floor and Flat Roofs A & B, Shops on 2nd Floor and Cinema Staircase and Cinema Store, Shops on 3rd Floor and Restaurant on 4th Floor Carparking Spaces on Basement 1 to Basement 3 Yue Xiu Plaza No. 9 Ning Yuen Street San Po Kong Kowloon 3,969/8,928th parts or shares of and in New Kowloon Inland Lot No. 6184	<p>The subject development, namely Yue Xiu Plaza, consists of two blocks of residential tower with 19- to 20-storey erected on a 5-storey commercial podium and a 3-storey basement car park. The subject development was completed in 1995.</p> <p>The subject property comprises the commercial podium and basement car park. It provides retail spaces on Ground Floor, 1st Floor, 2nd Floor and 3rd Floors, a restaurant on 4th Floor and car parking spaces on Basement Levels 1 to 3.</p> <p>Ground Floor to 4th Floor are designed as a shopping arcade and are internally divided into various retail shops (except the restaurant on 4th Floor) having a total gross floor area of approximately 10,785.77 square metres (116,098 square feet) plus flat roof of 729.47 square metres (7,852 square feet).</p> <p>Basement Levels 1 to 3 accommodate 90 private car parking spaces and 12 lorry parking spaces, according to registered floor plans.</p> <p>The property is held under Conditions of Exchange No. 12196 for a term commencing on 20 February 1992 to 30 June 2047. The current Government Rent payable for the property is 3% of the rateable value of the property per annum.</p>	<p>As at the date of valuation, portion of the shopping arcade with gross floor area of approximately 99,582 square feet was leased to various tenants at a total monthly rent of approximately HK\$1,628,199, exclusive of rates and management fee, for June 2010 with the latest term expiring on 14 May 2013. The rest of the shopping arcade remains vacant.</p> <p>The car parking spaces were leased either on monthly or hourly basis. The total rental income generated from the car parking spaces was approximately HK\$2,053,444 for the period from January to June of 2010.</p>	<p>378,500,000 (100.00% interest attributable to the Group: 378,500,000)</p>

Notes:

- i. The registered owners of the property are tabulated below:

Unit(s)	Owner
Parking spaces on Basement Levels 1 to 3 and Ground to 3rd Floors (excluding Shops 202, 205 208, 212, 213, 215 and 218)	Merry Growth Development Limited
Shop 202	Able Step Investment Limited
Shop 205	Bond Master Limited
Shop 208	Crystal Path Development Limited
Shop 212	Green Park Development Limited
Shop 213	Kingswell Limited
Shop 215	Sino Peace Development Limited
Shop 218	Winston Investment Limited
4th Floor	Smart Rise Development Limited

- ii. Basement levels 1 to 3 of the property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600089.
- iii. 4th Floor of the property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600101.
- iv. The car parking floors of the property, including Basement 1 to 3, consist of 90 private car parking spaces and 12 lorry car parking spaces have a total value of HK\$38,560,000 as at the date of valuation.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
134.	Kam Po Court No. 16 Tsing Tai Road Tai Lam New Territories Lot No. 754 in Demarcation District No. 379	<p>The property comprises two blocks of 2-storey residential buildings erected on a common ground floor carport. Each block accommodates 4 domestic units with 2 domestic units per floor. The property was completed in 1974.</p> <p>The property comprises a site having a registered site area of approximately 1,437.20 square metres (15,470 square feet).</p> <p>The total gross floor area of the property is approximately 853.59 square metres (9,188 square feet).</p> <p>The property is held under New Grant No. 1935 for a term statutorily extended to 30 June 2047. The current Government Rent payable for the property is 3% of the rateable value of the property per annum.</p>	As at the date of valuation, the property was leased at a monthly rent of approximately HK\$92,000, exclusive of rates and management fee, for June 2010 with a term expiring on 31 October 2012.	17,000,000 (100.00% interest attributable to the Group: 17,000,000)

Notes:

- i. The registered owner of the property is Viclong Company Limited via Memorial No. TM318458 registered on 8 January 1988.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600267.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
135.	Workshop I on 4th Floor Valiant Industrial Centre Nos. 2-12 Au Pui Wan Street Fo Tan Shatin New Territories 15/5,500th parts or shares of and in Shatin Town Lot Nos. 62, 63 and 64	The property comprises a workshop unit on the 4th Floor of Valiant Industrial Centre, which is a 14-storey industrial building completed in 1982. The gross floor area of the property is approximately 181.72 square metres (1,956 square feet). The property is held under New Grant Nos. 11288, 11289 and 11291, all for a term statutorily extended to 30 June 2047. The current Government Rent payable for the property is 3% of the rateable value of the property per annum.	As at the date of valuation, the property was leased at a monthly rent of approximately HK\$12,000, inclusive of rates and management fee, for June 2010 with a term expiring on 16 October 2010.	2,840,000 (100.00% interest attributable to the Group: 2,840,000)

Note:

- i. The registered owner of the property is Lintex Development Limited via Memorial No. ST477347 registered on 19 May 1989.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
136.	Flats A and C on 4th Floor, Flat C on 5th Floor, Flats A and C on 6th Floors and Flats A and C on 7th Floors Manifold Court Nos. 36-46 Pokfulam Road Sai Ying Pun Hong Kong 280/3,087th parts or shares of and in the Remaining Portion of Section B and the Remaining Portion of Inland Lot No. 679	The property comprises 7 domestic units on the 4th to 7th Floors of Manifold Court, which is a 24-storey residential building completed in 1991. The total gross floor area of the property is approximately 375.51 square metres (4,042 square feet). The property is held under a Government Lease for a term of 999 years commencing on 25 June 1861.	As at the date of valuation, the property was leased to various tenants at a total monthly rent of approximately HK\$48,200 for June 2010 with the latest term expiring on 31 May 2012.	17,300,000 (100.00% interest attributable to the Group: 17,300,000)

Notes:

- i. The registered owner of the property is Yuexiu Property Company Limited via Memorial No. 09122203070431 registered on 22 December 2009.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600440.

Group III — Property Interests Held for Owner Occupation

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
137.	Flat A on 19th Floor of Block 1 City Garden Nos. 231-233 Electric Road North Point Hong Kong	The property comprises a domestic unit on the 19th Floor of Block 1, which is a 26-storey residential block erected on a recreational level and 3 car parking basement levels within City Garden, completed in 1983.	As at the date of valuation, the property was occupied by the Group as staff quarter.	6,800,000 (100.00% interest attributable to the Group: 6,800,000)
	26/100,180th parts or shares of and in Inland Lot No. 8580	The gross floor area of the property is approximately 83.24 square metres (896 square feet). The property is held under Conditions of Exchange No. 11652 for a term of 75 years renewable for a further term of 75 years commencing on 31 August 1914.		

Notes:

- i. The registered owner of the property is Jamsin Limited via Memorial No. UB6157575 registered on 11 November 1994.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600283.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
138.	Flat B on 25th Floor of Block 1 City Garden Nos. 231-233 Electric Road North Point Hong Kong	The property comprises a domestic unit on the 25th Floor of Block 1, which is a 26-storey residential block erected on a recreational level and 3 car parking basement levels within City Garden, completed in 1983.	As at the date of valuation, the property was occupied by the Group as staff quarter.	6,450,000 (100.00% interest attributable to the Group: 6,450,000)
	24/100,180th parts or shares of and in Inland Lot No. 8580	The gross floor area of the property is approximately 83.24 square metres (896 square feet). The property is held under Conditions of Exchange No. 11652 for a term of 75 years renewable for a further term of 75 years commencing on 31 August 1914.		

Notes:

- i. The registered owner of the property is Jamsin Limited via Memorial No. UB6094221 registered on 16 August 1994.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600301.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
139.	Flat A on 11th Floor of Block 3 City Garden Nos. 231-233 Electric Road North Point Hong Kong	The property comprises a domestic unit on the 11th Floor of Block 3, which is a 26-storey residential block erected on a recreational level and 3 car parking basement levels within City Garden, completed in 1983.	As at the date of valuation, the property was occupied by the Group as staff quarter.	6,360,000 (100.00% interest attributable to the Group: 6,360,000)
	24/100,180th parts or shares of and in Inland Lot No. 8580	The gross floor area of the property is approximately 83.24 square metres (896 square feet).		
		The property is held under Conditions of Exchange No. 11652 for a term of 75 years renewable for a further term of 75 years commencing on 31 August 1914.		

Notes:

- i. The registered owner of the property is Jamsin Limited via Memorial No. UB6121443 registered on 24 September 1994.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600321.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
140.	Flat B on 6th Floor of Block 6 City Garden Nos. 231-233 Electric Road North Point Hong Kong	The property comprises a domestic unit on the 6th Floor of Block 1, which is a 27-storey residential block erected on a recreational level and 3 car parking basement levels within City Garden, completed in 1983.	As at the date of valuation, the property was occupied by the Group as staff quarter.	7,780,000 (100.00% interest attributable to the Group: 7,780,000)
	28/100,180th parts or shares of and in Inland Lot No. 8580	The gross floor area of the property is approximately 93.83 square metres (1,010 square feet). The property is held under Conditions of Exchange No. 11652 for a term of 75 years renewable for a further term of 75 years commencing on 31 August 1914.		

Notes:

- i. The registered owner of the property is Jamsin Limited via Memorial No. UB6097119 registered on 19 August 1994.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600364.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
141.	Flat C on 33rd Floor Sung Fung Court – Harbour Heights No. 3 Fook Yum Road North Point Hong Kong 30/55,000th parts or shares of and in Section C of Marine Lot No. 277, Section F of Marine Lot No. 277 and the Extension Thereto, Section A of Marine Lot No. 281 and the Extension Thereto and the Remaining Portion of Inland No. 1395	The property comprises a domestic unit on the 33rd Floor of Sung Fung Court, which is a 40-storey residential block within Harbour Heights, completed in 1988. The gross floor area of the property is approximately 66.61 square metres (717 square feet). The property is held under three Government Leases. Marine Lot No. 277 and Inland Lot No. 1395 are held for a term of 999 years commencing on 24 February 1896. Marine Lot No. 281 is held for a term of 75 years renewable for a further term of 75 years commencing on 31 August 1903.	As at the date of valuation, the property was occupied by the Group as staff quarter.	5,230,000 (100.00% interest attributable to the Group: 5,230,000)

Notes:

- i. The registered owner of the property is Jamsin Limited via Memorial No. UB6230971 registered on 25 February 1995.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600383.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 <i>HK\$</i>
142.	Flat A on 1st Floor (including the flat roof) Flats B on 5th to 8th Floors and Flats B on 10th to 12th Floors Wing Shun Mansion No. 9 Kin Wah Street North Point Hong Kong 120/775th parts or shares of and in the Remaining Portions of Sub-Sections 5 and 6 of Section X of Inland Lot No. 2366 and the Extension Thereto	The property comprises 8 domestic units on the 1st, 5th to 8th Floors and 10th to 12th Floors of Wing Shun Mansion, which is a 24-storey residential building completed in 1993. The total gross floor area of the property is approximately 423.63 square metres (4,560 square feet) plus flat roof of 61.78 square metres (665 square feet). The property is held under Conditions of Sale No. 1143 for a term of 75 years renewable for a further term of 75 years commencing on 13 February 1922.	As at the date of valuation, the property was occupied by the Group as staff quarters.	24,250,000 (100.00% interest attributable to the Group: 24,250,000)

Notes:

- i. The registered owner of the property is Yuexiu Property Company Limited via Memorial No. 09122203070431 registered on 22 December 2009.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600401.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 <i>HK\$</i>
143.	Units A-G on 27th and 28th Floor Seabright Plaza Nos. 9-23 Shell Street North Point Hong Kong	The property comprises all the office units on the 27th and 28th Floors of Seabright Plaza, which is a 29-storey office building completed in 1992. The total gross floor area of the property is approximately 1,196.76 square metres (12,882 square feet). The property is held under a Government Lease for a term of 75 years renewable for a further term of 75 years commencing on 25 August 1919.	As at the date of valuation, the property was occupied by the Group as office.	48,950,000 (100.00% interest attributable to the Group: 48,950,000)
	1,158/15,000th parts or shares of and in the Remaining Portions of Sections C, R and S, the Remaining Portions of Sub-Sections 1 of Sections C and S, the Remaining Portions of Sub-Sections 1, 2 and 3 of Section R of Inland Lot No. 2273			

Notes:

- i. The registered owner of Units A-G on 27th floor is Longco Limited via Memorial No. UB5498122 registered on 28 November 1992.
- ii. The registered owner of Units A-G on 28th floor is Elsburg Limited via Memorial No. UB5505075 registered on 8 December 1992.
- iii. Units A-G on 27th floor are subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 4 June 2008 via Memorial No. 08060402770189.
- iv. Units A-G on 28th floor are subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600427.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
144.	The South China Hotel No. 67 Java Road Hong Kong Inland Lot Nos. 6845, 6846, 6847, 6848, 6849.	<p>The Property comprises a rectangular shape corner site with an area of 532.609 square metres (5,733 square feet or thereabouts) on which a 20-storey plus a cockloft and one basement floor hotel is erected. It was completed in about 1991.</p> <p>The total gross floor area of the Property is 7,022.682 square metres (75,592 square feet or thereabouts) 3rd to 19th Floor of the Property consists of 198 guest rooms, 1 deluxe suite and 3 handicapped rooms.</p> <p>Restaurants are available on the 1st Floor and 2nd Floor. Carparking spaces and loading/unloading bay are also available on the Ground Floor. Administration and Management Office Spaces are provided in the Basement and on the Cockloft.</p> <p>The Property is held under various Government Leases for a term of 75 years commencing on 5th September 1921 and renewable for a further term of 75 years. The total annual Government Rent payable for the subject lots is HK\$230,402.</p>	<p>As at the date of valuation, the property was held and operated by the owner as hotel.</p> <p>Besides, the restaurant premises on Basement and First Floor are subject to a tenancy for terms of 3 years expiring on 30 April 2013 at a total monthly rent of HK\$130,000 inclusive of rates, management fees and air conditioning charges. The tenant has an option to renew the term for a further term of 2 years upon expiration of the lease term. Another restaurant premises on Second Floor are subject to a renewed tenancy for a term of 3 years expiring on 30 April 2013 at a total monthly rent of HK\$50,000 exclusive of rates and other outgoings.</p>	<p>400,000,000</p> <p>(100.00% interest attributable to the Group: 400,000,000)</p>

Notes:

- i. The registered owner of the Property is Techcon Investment Limited via Memorial No. UB7086945 registered on 28 May 1997.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600482.

- iii. The property falls within an area zoned “Residential (Group A)” under North Point Outline Zoning Plan No. S/H8/21 gazetted on 27 July 2007.

Salient development conditions of the lot pursuant to the North Point Outline Zoning Plan No. S/H8/21 is

“On land designated “Residential (Group A)” and sub-areas of the “Residential (Group A)” zone, no new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of the maximum building heights, in terms of metres above Principal Datum, as stipulated on the Plan, or height of the existing building, whichever is greater.”

As revealed from the aforesaid North Point Outline Zoning Plan No. S/H8/21, the maximum building heights as stipulated on the Plan is 110 metres above the Hong Kong Principal Datum.

- iv. As revealed from the Town Planning Application Case no. A/H8/238 (Amendments to an approved scheme for Hotel) for Inland Lot Nos. 6845, 6846, 6847, 6848 and 6849, the Metro Planning Committee approved the aforesaid planning permission with condition(s) on 9 February 1996.
- v. Occupation Permit No. H121/91 of the subject development was issued by the Building Authority dated 14 November 1991.
- vi. The Property is subject to the Licence in favour of Utility Shing Limited via memorial no. UB5466600 dated 10 July 1989. Salient points of the Licence as stipulated, inter alia, that

“Licence is hereby granted by the Assistant Registrar General...the registered in the Land Office as...assigns to use, exercise or follow in or upon the Lot or nay part thereof the trade or business of Suger-baker, Oilman, Butcher, Victualler or Tavern-keeper...notwithstanding the covenant in the Lease of the Lot prohibiting the use, exercise or following of the trade or business...and subject also to the Licensee complying with all provisions or conditions contained in such licences and permits and with any Ordinances Rules or Regulations affecting the trade or business or the Lot.”

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
145.	Section B of Yau Tong Inland Lot No. 4 Tung Yuen Street Yau Tong Kowloon Hong Kong	The property comprises a site (Class A) in rectangular shape which has a registered site area of approximately 5,438 square metres (approximately 58,533.45 square feet).	As at the date of valuation, the property was occupied by the Group.	506,000,000 (100.00% interest attributable to the Group: 506,000,000)
	Section B of Yau Tong Inland Lot No. 4	The property is held under Conditions of Sale No. 9408 for a term of 99 years commencing from 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.		

Note:

- i. The registered owner of the property is Charm Smart Development Limited via Memorial No. UB5990841 registered on 2 May 1994.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600464.
- iii. In a modification letter registered in the Land Registry by Memorial No. UB5872233 registered on 21 December 1993, the permissible total gross floor area of any building or buildings erected or to be erected on the lot shall not exceed 43,503 square metres.
- iv. With reference to Conditions of Sale No.9408, the major development conditions of the subject lot are extracted as below:

Condition 2 (a):	“... shall be used only for industrial and/or godown purposes”
Condition 2 (b):	“No Building shall be erected on the lot except a factory and/or a warehouse, ancillary office and such quarters...”
Condition 9:	“No part of any structure to be erected on the lot shall exceed a height of 100 feet above the colony principal datum.”

- v. The property falls within an area zoned “Comprehensive Development Area” (CDA) under Cha Kwo Ling, Yau Tong and Lei Yue Mun Outline Zoning Plan No. S/K15/16 dated 23 May 2008.

Salient development conditions of the lot pursuant to the Cha Kwo Ling, Yau Tong and Lei Yue Mun Outline Zoning Plan No. S/K15/16 are summarized as follows:

- (3) “No new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of the maximum plot ratio (PR), gross floor area (GFA) and building height as specified in Table 1 below:

CDA at Yau Tong Industrial Area A maximum GFA of 185,430m² and the maximum building heights, in terms of metres above Principal Datum as stipulated on the Plan

- (5) “In determining the relevant maximum PR/GFA for the purposes of paragraph (3) above, any floor space that is constructed or intended for use solely as GIC facilities shall be included for calculation.”

- vi. In our course of valuation, we adopt the following development conditions to carry the valuation:

- | | |
|-----------------------------|---|
| (a) Total Gross Floor Area: | 365,834 square feet or thereabouts |
| (b) Plot Ratio: | 5 x |
| (c) Maximum Height: | Not exceeding a height of 100 metres above the Hong Kong Principal Datum as stipulated on the Cha Kwo Ling, Yau Tong and Lei Yue Mun Outline Zoning Plan No. S/K15/16 |
| (d) Site Class: | A |

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
146.	Yau Tong Marine Lot No. 57 No. 16 Tung Yuen Street Yau Tong Kowloon Hong Kong	The property comprises a parcel of land with a site area of approximately 1,468.79 square metres (approximately 15,810 square feet). Erected on site is a 6-storey industrial building including basement which was completed in 1984.	As at the date of valuation, the property was occupied by the Group.	169,000,000 (100.00% interest attributable to the Group: 169,000,000)
	Yau Tong Marine Lot No. 57	The total gross floor area of the property is approximately 7,832.43 square metres (approximately 84,309 square feet). 1st to 4th Floor of the property is equipped as Freezer Chambers and the basement level is equipped as Chiller Chamber. 6 lorry spaces, 3 light vehicle spaces and loading/unloading bays are available on the ground floor. General offices are provided on the ground and upper ground floor. A berth is also erected on the ground floor. The lot is held under the Conditions of Sale No. 9367 for a term of 99 years commencing on 1 July 1898. (In our valuation, we take into account that such leases are extended without premium until 30 June 2047 and that a rent of 3% of the rateable value of the property is charged from the date of extension.)		

Notes:

- i. The registered owner of the subject property is Lucken Limited via Memorial No. UB5511128 registered on 15 December 1992.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600492.
- iii. Occupation Permit No. NK 57/84 for the subject property is dated 16 November 1984.

iv. Salient development conditions of the lot pursuant to the Conditions of Sale No. 9367 are summarized as follows:

- (a) User: Industrial and/or godown purposes
- (b) Maximum Height: Not exceeding a height of 100 feet above the Hong Kong Principal Datum
- (c) Parking Provision Provisions: Not less than one space for each 10,000 square feet of gross floor area, or not less than one space for each 5,000 square feet of the site area, whichever is greater
- (d) Seawall between points "A" and "B": The Purchase shall maintain at his own expense that portion of sea wall. Any rights pertaining to the sea frontage shall extend only to the boundary of the lot marked A-B on the plan annexed

v. The property falls within an area zoned "Comprehensive Development Area" (CDA) under Cha Kwo Ling, Yau Tong and Lei Yue Mun Outline Zoning Plan No. S/K15/16 dated 23 May 2008.

Salient development conditions of the lot pursuant to the Cha Kwo Ling, Yau Tong, Lei Yue Mun Outline Zoning Plan No. S/K15/16 are summarized as follows:

- (3) "No new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of the maximum plot ratio (PR), gross floor area (GFA) and building height as specified in Table 1 below:

CDA at Yau Tong Industrial Area A maximum GFA of 185,430m² and the maximum building heights, in terms of metres above Principal Datum as stipulated on the Plan.

- (5) "In determining the relevant maximum PR/GFA for the purposes of paragraph (3) above, any floor space that is constructed or intended for use solely as GIC facilities shall be included for calculation."

vi. In our course of valuation, we adopt the following development conditions to carry the valuation:

- (a) Total Gross Floor Area: 98,813 square feet or thereabouts
- (b) Plot Ratio: 5 x
- (c) Maximum Height: Not exceeding a height of 80 metres above the Hong Kong Principal Datum as stipulated on the Cha Kwo Ling, Yau Tong and Lei Yue Mun Outline Zoning Plan No. S/K15/16
- (d) Site Class: B

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 HK\$
147.	Yau Tong Inland Lot No. 9 No. 21 Tung Yuen Street Yau Tong Kowloon Hong Kong Yau Tong Inland Lot No. 9	<p>The property comprises a parcel of land with a site area of approximately 4,842.79 square metres (approximately 52,120 square feet). Erected on site are two blocks of multi-storey industrial buildings completed separately in the 1970s.</p> <p>The total gross floor area of the property is approximately 28,773.13 square metres (approximately 309,714 square feet).</p> <p>30 vehicle spaces are available on the ground floor. Workshop units are provided on the ground floor and upper floors.</p> <p>The lot is held under the Conditions of Sale No. 9505 as modified by subsequent modification letters dated 3 February 1981 and 31 March 1982 for a term of 99 years commencing on 1 July 1898. (In our valuation, we take into account that such leases are extended without premium until 30 June 2047 and that a rent of 3% of the rateable value of the property is charged from the date of extension.)</p>	<p>As at the date of valuation, portion of the property was leased to various tenants at a total monthly rent of approximately HK\$382,986 for June 2010 with the latest term expiring on 30 November 2011. The rest of the property was occupied by the Group.</p>	<p>449,000,000</p> <p>(100.00% interest attributable to the Group: 449,000,000)</p>

Notes:

- i. The registered owner of the subject property is Glory Mission Development Limited via Memorial No. 09120102850015 registered on 1 December 2009.
- ii. The property is subject to a mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited, which acted as an agent for and on behalf of the Finance Parties and itself, with the date of registration on 19 January 2010 via Memorial No. 10011900600504.
- iii. Two Modification Letters dated 3 February 1981 and 31 March 1982 via Memorial Nos. UB2054611 and UB2245269 respectively were registered against the subject property.

iv. Salient development conditions of the lot pursuant to the Conditions of Sale No. 9505, as modified by the Modification Letters dated 3 February 1981 and 31 March 1982, are summarized as follows:

- | | |
|-----------------------------------|---|
| (a) User: | Industrial and/or godown purposes |
| (b) Maximum Height: | Not exceeding a height of 100 feet above the Hong Kong Principal Datum |
| (c) Parking Provision Provisions: | Not less than one space for each 10,000 square feet of gross floor area, or not less than one space for each 5,000 square feet of the site area, whichever is the greater |
| (d) Canteen facilities: | Not exceeding 10% of the gross floor area of the building erected for the exclusive use by workmen employed on the lot |

v. The property falls within an area zoned "Comprehensive Development Area" under Cha Kwo Ling, Yau Tong and Lei Yue Mun Outline Zoning Plan No. S/K15/16 dated 23 May 2008.

Salient development conditions of the lot pursuant to the Cha Kwo Ling, Yau Tong, Lei Yue Mun Outline Zoning Plan No. S/K15/16 are summarized as follows:

- (3) "No new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of the maximum plot ratio (PR), gross floor area (GFA) and building height as specified in Table 1 below:

CDA at Yau Tong Industrial Area	A maximum GFA of 185,430m ² and the maximum building heights, in terms of metres above Principal Datum as stipulated on the Plan
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- (5) "In determining the relevant maximum PR/GFA for the purposes of paragraph (3) above, any floor space that is constructed or intended for use solely as GIC facilities shall be included for calculation."

vi. In our course of valuation, we adopt the following development conditions to carry the valuation:

- | | |
|-----------------------------|---|
| (a) Total Gross Floor Area: | 325,750 square feet or thereabouts |
| (b) Plot Ratio: | 5 x |
| (c) Maximum Heights: | Not exceeding a height of 100 metres above the Hong Kong Principal Datum as stipulated on the Cha Kwo Ling, Yau Tong and Lei Yue Mun Outline Zoning Plan No. S/K15/16 |
| (d) Site Class: | B |

Group IV — Property Interests Held for Sale

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 <i>HK\$</i>
148.	30 Car Parking Spaces Pokfulam Terrace No. 8 Wah Fu Road Pokfulam Hong Kong	The property comprises 30 car parking spaces on car parking podium of Pokfulam Terrace, which is a 30-storey residential building completed in 2004.	As at the date of valuation, the car parking spaces were leased at a monthly or hourly basis.	13,500,000 (100.00% interest attributable to the Group: 13,500,000)
	510/7,371st parts or shares of and in Inland Lot No. 8840	The property is held under Conditions of Exchange No. 12532 for a term of 50 years commencing on 29 May 1999. The current Government Rent payable for the property is 3% of the rateable value of the property per annum.		

Note:

- i. The registered owner of the property is Solution Investment Limited.

*PROPERTY INTERESTS HELD BY THE GROUP IN MACAU***Group I — Property Interests Held for Development**

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 <i>MOP</i>
149.	Site at the junction of Nos. 1-5 A. de Artur Tamagnini Barbosa and Nos. 2-4 A. do Conselheiro Borja Macau	<p>The property comprises a site with an area of approximately 160.3 square metres (about 1,725 square feet) on which a single-storey structure is erected. As advised by the Company, portion of the site will be resumed by the Government for road widening purpose. The remaining site area for redevelopment is about 117 square metres (about 1,259 square feet).</p> <p>There is no building schedule for the land.</p> <p>The property is held under 2 government leases respectively for a term of 20 years commencing on 26 May 1981 and a term of 10 years renewable for another 10 year commencing on 26 May 1981. The terms of these 2 leases shall be extended to 19 December 2049 under the Sino-Portuguese Joint Declaration on the Question of Macau.</p>	As at the date of valuation, the property was vacant.	<p>2,300,000</p> <p>(50.00% interest attributable to the Group: 1,150,000)</p>

Notes:

- i. The registered owner of the property is Companhia De Investimento E Desenvolvimento Imobiliário Country Calm, Limitada (a 50% owned subsidiary of the Company).

Group II — Property Interests Held for Investment

No.	Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31 July 2010 <i>MOP</i>
150.	Flats E and F on 13th Floor of Block A Flat D on 13th Floor of Block B Yue Xiu Garden at the junction of Avenida Ouvidor Arriaga and Rua de Francisco Xavier Pereira Macau	<p>The property comprises three units within a 39-storey residential building completed in 1990.</p> <p>The total gross floor area of the property is approximately 367.24 square metres (3,953 square feet).</p> <p>The property is held for a term of 25 years commencing on 25 March 1968 and the term has been extended to 19 December 2049 by virtue of the Sino-Portuguese Joint Declaration. Subject lot is held under a Government Lease for a term of 75 years renewable for a further term of 75 years commencing on 25 August 1919.</p>	<p>As at the date of valuation, the property was leased to various tenants at a total monthly rent of approximately HK\$16,400 for June 2010 with the latest term expiring on 19 March 2012.</p>	<p>5,500,000</p> <p>(100.00% interest attributable to the Group: 5,500,000)</p>

Note:

- i. The registered owner of the property is Companhia de Fomento Predial Yue Xiu (Macau), Limitada.

Group III — Property Interests Held for Owner Occupation

NIL

Group IV — Property Interests Held for Sale

NIL

*PROPERTY INTERESTS HELD BY THE GROUP IN SINGAPORE***Group I — Property Interests Held for Development**

NIL

Group II — Property Interests Held for Investment

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 S\$
151.	20 Malacca Street #07-00 Malacca Centre Singapore 048979	<p>The property comprises an office unit together with a mezzanine level thereto within a 16-storey office building. The subject building has been built more than 10 years ago.</p> <p>According to the information provided by the Company, the total gross floor area of the property is 199 square metres (about 2,142 square feet).</p> <p>The subject lot namely Lot 420 of Town Subdivision 1 on which the subject building is erected is held under a tenure of 999 years. The subject building falls within the provisions of the Land Titles (Strata) Act by virtue of which strata-titles are given it.</p>	As at the date of valuation, the property was leased at a monthly rent of approximately S\$5,998 for June 2010.	1,260,000 (100.00% interest attributable to the Group: 1,260,000)

Note:

- i. The registered owner of the property is Jumbo King Development Limited.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 S\$
152.	20 Malacca Street #10-00 Malacca Centre Singapore 048979	<p>The property comprises an office unit together with a mezzanine level thereto within a 16-storey office building. The subject building has been built more than 10 years ago.</p> <p>According to the information provided by the Company, the total gross floor area of the property is 199 square metres (about 2,142 square feet).</p> <p>The subject lot namely Lot 420 of Town Subdivision 1 on which the subject building is erected is held under a tenure of 999 years. The subject building falls within the provisions of the Land Titles (Strata) Act by virtue of which strata-titles are given it.</p>	As at the date of valuation, the property was leased at a monthly rent of approximately S\$6,426 for June 2010.	1,260,000 (100.00% interest attributable to the Group: 1,260,000)

Note:

- i. The registered owner of the property is Jumbo King Development Limited.

No.	Property	Description and Tenure	Particular of Occupancy	Capital value in existing state as at 31 July 2010 S\$
153.	20 Malacca Street #14-00 Malacca Centre Singapore 048979	<p>The property comprises an office unit together with a mezzanine level thereto within a 16-storey office building. The subject building has been built more than 10 years ago.</p> <p>According to the information provided by the Company, the total gross floor area of the property is 170 square metres (about 1,830 square feet).</p> <p>The subject lot namely Lot 420 of Town Subdivision 1 on which the subject building is erected is held under a tenure of 999 years. The subject building falls within the provisions of the Land Titles (Strata) Act by virtue of which strata-titles are given it.</p>	<p>As at the date of valuation, the property was leased at a monthly rent of approximately S\$11,000 for June 2010.</p>	<p>1,130,000</p> <p>(100.00% interest attributable to the Group: 1,130,000)</p>

Note:

- i. The registered owner of the property is Jumbo King Development Limited.

Group III — Property Interests Held for Owner Occupation

NIL

Group IV — Property Interests Held for Sale

NIL

A. RESPONSIBILITY STATEMENTS

All Directors jointly and severally accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Takeovers Code and the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

B. CORPORATE INFORMATION

Registered office	26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong
Company secretary	Mr. Yu Tat Fung, a solicitor of the High Court of Hong Kong
Authorised representatives	Mr. Tang Shouchun 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong Mr. Yu Tat Fung 25th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong
Auditor	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22nd Floor, Prince's Building, Central, Hong Kong
Share registrar of the Company	Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong
Share transfer agent in Singapore	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623

Principal bankers	Bank of China (Hong Kong) Limited 52nd Floor, Bank of China Tower, 1 Garden Road, Hong Kong The Bank of East Asia Limited 10 Des Voeux Road Central, Hong Kong Hang Seng Bank Limited 83 Des Voeux Road Central, Hong Kong The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, Hong Kong Industrial and Commercial Bank of China (Asia) Limited 33rd Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong Wing Lung Bank Limited 45 Des Voeux Road Central, Hong Kong
Qualified accountant	Miss Lam Sing Wah
Underwriter	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司) 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong
Hong Kong legal advisers to the Company	Baker & McKenzie 23rd Floor One Pacific Place 88 Queensway Hong Kong

C. MARKET PRICES

The table below shows the closing prices of the Share as recorded on the Stock Exchange on (i) the last day on which dealings took place in each of the six months immediately preceding the date of the Announcement; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price of Shares (HK\$)
31 March 2010	2.09
30 April 2010	1.88
31 May 2010	1.72
30 June 2010	1.71
30 July 2010	1.88
31 August 2010	1.75
14 September 2010 (Last Trading Date)	1.90
21 September 2010 (Latest Practicable Date)	1.94

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the period between 14 March 2010 to 13 September 2010, being the six months preceding the date of the Announcement, and ending on the Latest Practicable Date were HK\$2.22 on 19 March 2010 and HK\$1.52 on 20 May 2010, respectively.

D. SHARE CAPITAL**1. Share capital**

As at Latest Practicable Date:

Authorised capital: *HK\$*

<u>10,000,000,000</u>	Shares	<u>1,000,000,000.00</u>
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Issued and fully paid or credited as fully paid:

<u>7,138,075,914</u>	Shares in issue as at the Latest Practicable Date	<u>713,807,591.40</u>
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Assuming no Outstanding Options are exercised on or before the completion date of the Open Offer, upon completion of the Open Offer and the increase in authorised share capital becoming effective:

Authorised capital: *HK\$*

<u>20,000,000,000</u>	Shares	<u>2,000,000,000.00</u>
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Issued (and paid up) and to be issued:

7,138,075,914	Shares in issue as at the Latest Practicable Date	713,807,591.40
<u>2,141,422,774</u>	Maximum number of Offer Shares to be issued	<u>214,142,277.40</u>
<u>9,279,498,688</u>	Shares	<u>927,949,868.80</u>

Assuming all Outstanding Options are exercised and Shares are allotted and issued pursuant to such exercise on or before the Record Date, upon completion of the Open Offer and the increase in authorised share capital becoming effective:

Authorised capital: *HK\$*

<u>20,000,000,000</u>	Shares	<u>2,000,000,000.00</u>
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Issued (and paid up) and to be issued:

7,138,075,914	Shares in issue as at the Latest Practicable Date	713,807,591.40
58,674,000	Shares allotted and issued pursuant to the exercise of all Outstanding Options on or before the Record Date	5,867,400.00
<u>2,159,024,974</u>	Maximum number of Offer Shares to be issued	<u>215,902,497.40</u>
<u>9,355,774,888</u>	Shares	<u>935,577,488.80</u>

Except for a total of 1,494,000 Shares issued pursuant to the exercise of options granted under the Share Option Scheme, since 31 December 2009, the date to which the latest audited consolidated accounts of the Company were made up, and up to the Latest Practicable Date, there had not been any new issue of Shares.

The aggregate nominal value of the Offer Shares will be HK\$214,142,277.40 (assuming no Outstanding Options are exercised on or before the Record Date) or HK\$215,902,497.40 (assuming all Outstanding Options are exercised on or before the Record Date).

2. Share options

As at the Latest Practicable Date, there were Outstanding Options attaching subscription rights to subscribe for an aggregate of 58,674,000 Shares granted under the Share Option Scheme at exercise prices ranging from HK\$0.41 to HK\$1.556.

Number of Outstanding Options	Exercise price per Share (HK\$)	Date of grant	Exercisable period	
			From	To
10,870,000	0.41	2 May 2003	2 May 2003	1 May 2013
1,840,000	0.814	27 October 2003	27 October 2003	26 October 2013
9,330,000	0.846	23 December 2003	23 December 2003	22 December 2013
35,514,000	0.63	23 June 2004	23 June 2004	22 June 2014
1,120,000	1.556	28 May 2008	28 May 2008	27 May 2018

Upon the Open Offer becoming unconditional, the exercise prices and/or number of the Share to be allotted and issued pursuant to the exercise of the Outstanding Options may be subject to adjustments. Further announcement will be made in this regard.

Save as disclosed above, the Company did not have any other options, warrants and other convertible securities or rights affecting the Shares as at the Latest Practicable Date.

3. Other

All the Shares in issue and the Offer Shares to be issued will (when allotted and fully paid) rank pari passu in all respects with each other including as regards to dividends, voting rights and return of capital. The Shares in issue are listed on the Stock Exchange and the SGX-ST.

There is no arrangement that any securities acquired in pursuance of the Open Offer will be transferred, charged, or pledged to any other persons.

E. DISCLOSURE OF INTERESTS**(1) Directors and chief executive**

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive (if any) had, or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which are (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short position which they have taken or deemed to have under such provisions of the SFO); or (b) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (c) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

a. Long positions in Shares:

Name of Director	Capacity in Holding Interest	Beneficial interest in Shares	Approximate % of interest
Mr. Lee Ka Lun	Beneficial owner	3,500,000	0.05
Mr. Lau Hon Chuen Ambrose	Beneficial owner	1,680,000	0.02

b. Long positions in the underlying shares of equity derivatives of the Company:

Name of Director	Date of grant	Exercise price per Share HK\$	Number of share options outstanding
Mr. Tang Shouchun	23 June 2004 (<i>Note 1</i>)	0.630	1,560,000
Mr. Liang Youpan	2 May 2003 (<i>Note 2</i>)	0.410	2,000,000
	23 June 2004 (<i>Note 1</i>)	0.630	8,350,000
Mr. Lau Hon Chuen Ambrose	28 May 2008 (<i>Note 3</i>)	1.556	1,120,000

Notes:

- The share options are exercisable from 23 June 2004 to 22 June 2014, of which a maximum of up to (i) 30%; and (ii) 60% (inclusive of any options exercised under (i)) are exercisable during the period (a) up to the first anniversary; and (b) up to the second anniversary of the date of grant, respectively.
- The share options are exercisable from 2 May 2003 to 1 May 2013, of which a maximum of up to (i) 30%; and (ii) 60% (inclusive of any options exercised under (i)) are exercisable during the period (i) up to the first anniversary; and (ii) up to the second anniversary of the date of grant, respectively.
- The share options are exercisable from 28 May 2008 to 27 May 2018, of which a maximum of up to (i) 30%; and (ii) 60% (inclusive of any options exercised under (i)) are exercisable during the period (a) up to the first anniversary; and (b) up to the second anniversary of the date of grant, respectively.

Save as disclosed above, as at the Latest Practicable date, none of the Directors is a director or employee of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO.

(2) Substantial Shareholders

As at the Latest Practicable Date, so far is known to the Directors and the chief executive, the following persons (not being a Director or a chief executive of the Company) had an interest or short position in the Shares or underlying Shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Capacity	Long position in Shares	Approximate % of interest
廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited) (<i>Note 1</i>)	Interests of controlled corporations	5,488,960,222 (<i>Note 2</i>)	76.90 (<i>Note 3</i>)

Notes:

- 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited) is deemed by the SFO to be interested in 5,488,960,222 Shares as a result of its indirect holding of such shares through its wholly-owned subsidiaries, details of which are as follows:

Name	Long position in Shares
<i>Yue Xiu</i>	5,488,960,222 (i)
<i>Superb Master Ltd ("Superb")</i>	1,160,044,400(ii)
<i>Excellence Enterprises Co., Ltd. ("Excellence")</i>	4,323,213,675(iii)
<i>Bosworth International Limited ("Bosworth")</i>	3,160,100,867(iii)
<i>Sun Peak Enterprises Ltd. ("Sun Peak")</i>	735,387,900(iii)
<i>Novena Pacific Limited ("Novena")</i>	735,387,900(iii)
<i>Shine Wah Worldwide Limited ("Shine Wah")</i>	205,463,700(iii)
<i>Morrison Pacific Limited ("Morrison")</i>	205,463,700(iii)
<i>Perfect Goal Development Co., Ltd. ("Perfect Goal")</i>	176,458,100(iii)
<i>Greenwood Pacific Limited ("Greenwood")</i>	176,458,100(iii)
<i>Seaport Development Limited ("Seaport")</i>	45,803,108(iii)
<i>Goldstock International Limited ("Goldstock")</i>	45,803,108(iii)
<i>Yue Xiu Finance Company Limited</i>	5,702,147(iii)

- This includes the deemed interest in up to 2,159,024,974 Offer Shares, being the aggregate of 1,160,044,400 Offer Shares (assuming that all Outstanding Options are exercised on or before the Record Date) underwritten by Yue Xiu pursuant to the Underwriting Agreement and 998,980,574 Offer Shares which Yue Xiu has irrevocably undertaken to take up, or to procure subscribers to take up, pursuant to the Irrevocable Undertaking.

- (ii) Superb is a wholly owned subsidiary of Yue Xiu and is the entity to be nominated by Yue Xiu to take up the Offer Shares underwritten by Yue Xiu pursuant to the Underwriting Agreement.
 - (iii) This include Offer Shares to be taken up pursuant to the Irrevocable Undertaking.
 - (iv) Bosworth was interested in 3,160,100,867 Shares, and it was wholly-owned by Excellence which was, in turn, wholly-owned by Yue Xiu.
 - (v) Novena was interested in 735,387,900 Shares, and it was wholly-owned by Sun Peak which was, in turn, wholly-owned by Excellence.
 - (vi) Morrison was interested in 205,463,700 Shares, and it was wholly-owned by Shine Wah which was, in turn, wholly-owned by Excellence.
 - (vii) Greenwood was interested in 176,458,100 Shares, and it was wholly-owned by Perfect Goal which was, in turn, wholly-owned by Excellence.
 - (viii) Goldstock was interested in 45,803,108 Shares, and it was wholly-owned by Seaport which was, in turn, wholly-owned by Excellence.
2. This includes the deemed interest in up to 2,159,024,974 Offer Shares, being the aggregate of 1,160,044,400 Offer Shares (assuming that all Outstanding Options are exercised on or before the Record Date) underwritten by the Underwriter pursuant to the Underwriting Agreement and 998,980,574 Offer Share which the Underwriter has irrevocably undertaken to take up, or to procure subscribers to take up, pursuant to the Irrevocable Undertaking.
 3. This percentage interest is calculated on the basis of total issued shares of the Company as at the Latest Practicable Date, being 7,138,075,914 Shares.
 4. The information disclosed above is based on the information available on the website of the Stock Exchange.

Mr. Lu Zhifeng, Mr. Zhang Zhaoxing and Mr. Liang Yi are also directors of Yue Xiu while Mr. Tang Shouchun and Mr. Liang Youpan are deputy general managers of Yue Xiu. Mr. Lam Yau Fung Curt is also the group financial controller of Yue Xiu.

Save as disclosed above, as at the Latest Practicable Date, there was no person (other than the Directors and chief executive of the Company) who had an interest or short position in the Shares and underlying Shares to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company.

F. SHAREHOLDINGS AND DEALINGS

- (1) As at the Latest Practicable Date, except as disclosed under paragraph E (2) of this Appendix above, the Underwriter does not own or control any other Shares, convertible securities, warrants, options or derivatives in respect of the Shares, nor had the Underwriter dealt for value in any Shares, convertible securities, warrants, options or derivatives in respect of the Shares during the period commencing six months prior to the date of the Announcement and ending on the Latest Practicable Date. The shareholding of the

Underwriter in the Company immediately before and after completion of the Open Offer is set out in the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” in the letter from the Board in this circular. As at the Latest Practicable Date, neither the Company nor the Directors are interested in any shares, convertible securities, warrants, options or derivatives in respect of the shares of the Underwriter, nor had the Company or the Directors dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the shares of the Underwriter during the period beginning 6 months prior to the date of the Announcement and ending on the Latest Practicable Date.

- (2) Save for the Shares held by Mr. Liang Ningguang as disclosed in section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” in the letter from the Board in this circular, as at the Latest Practicable Date, none of the directors of the Underwriter is interested in any Shares, convertible securities, warrants, options or derivatives in respect of the Shares; nor had any such directors dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the Shares during the period beginning 6 months prior to the date of the Announcement and ending on the Latest Practicable Date. As at the Latest Practicable Date, Mr. Liang Ningguang has expressed his intention to accept his assured entitlements under the Open Offer.
- (3) As at the Latest Practicable Date, save as disclosed under paragraph E (1) of this Appendix above, none of the Directors are interested in any Shares, convertible securities, warrants, options or derivatives in respect of the Shares. None of such persons have dealt for value in any Shares, convertible securities, warrants, options or derivatives of the Shares or any shares, convertible securities, warrants, options or derivatives of the shares of the Underwriter during the period beginning 6 months prior to the date of the Announcement and ending on the Latest Practicable Date. None of the Directors are interested in any shares, convertible securities, warrants, options or derivatives in respect of the Shares of the Underwriter.
- (4) Save for the Shares held by the Underwriter and parties acting in concert with it as disclosed in section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” in the letter from the Board in this circular, as at the Latest Practicable Date, none of the Underwriter and parties acting in concert with it owned or controlled any other Shares, convertible securities, warrants, options or derivatives of the Shares; nor had any such persons dealt for value in any Shares, convertible securities, warrants, options or derivatives of the Shares during the period beginning 6 months prior to the date of the Announcement and ending on the Latest Practicable Date.
- (5) The Shares held by the Underwriter (who has irrevocably committed itself to accept and to procure its associates to accept their respective entitlements under the Open Offer pursuant to the Irrevocable Undertaking) are disclosed in section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” in the letter from the Board in this circular and it has not dealt for value in any Shares, convertible securities, warrants, options or derivatives of the Shares during the period beginning 6 months prior to the date of the Announcement and

ending on the Latest Practicable Date. Save as disclosed in this paragraph (5), as at the Latest Practicable Date, there is no other person who, prior to the posting of this circular, has irrevocably committed himself/herself to accept or reject the Open Offer and/or the Whitewash Waiver.

- (6) As at the Latest Practicable Date, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (i) the Underwriter or any person acting in concert with it; or (ii) the Company or any person who was an associate of the Company by virtue of class (1), (2), (3) or (4) of the definition of “associate” as defined under the Takeovers Code.
- (7) HSBC International Trustee Limited holds a total of 2,000,000 Shares as a trustee of a discretionary trust. Save as disclosed above, neither any pension fund of the Group nor a subsidiary of the Company nor any adviser of the Company as specified in class (2) of the definition of associate in the Takeovers Code, owned or controlled any Shares, convertible securities, warrants, options, or derivatives of the Shares as at the Latest Practicable Date.
- (8) No Shares were managed on a discretionary basis by any fund managers connected with the Company.
- (9) As at the Latest Practicable Date, no Shares, convertible securities, warrants, options or derivatives in respect of the Shares have been borrowed or lent by the Company and/or the Directors.

G. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware of, no Director or his/her respective associates had any interest in businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

H. OTHER INTERESTS

As at the Latest Practicable Date:

- i. none of the Directors or the chief executive of the Company had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date to which the latest published audited financial statements of the Group were made up;
- ii. none of the Directors was given any benefit as compensation for loss of office or otherwise in connection with the Open Offer and/or the Whitewash Waiver;
- iii. none of the Directors has entered into any agreement or arrangement with any other person which is conditional on or dependent upon the outcome of the Open Offer and/or the Whitewash Waiver or otherwise connected with the Open Offer and/or the Whitewash Waiver;

- iv. there was no material contract entered into by the Underwriter and parties acting in concert with it in which a Director had a material personal interest;
- v. none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group; and
- vi. save for the Irrevocable Undertaking given by the Underwriter and the Commitment Letters issued to the Underwriter, none of the Underwriter or parties acting in concert with it had entered into any agreement, arrangement or understanding (including any compensation arrangement) with any of the Directors, recent Directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the Open Offer and/or the Whitewash Waiver.

I. SERVICE CONTRACTS

As at the Latest Practicable Date:

- i. none of the Directors had entered or was proposing to enter into any service contract with the Company, or any member of the Group, which is not terminable by the Group within one year without payment of compensation (other than statutory compensation);
- ii. there are no service contracts in force between the Directors and the Company or any of its subsidiaries or associated companies which (including both continuous and fixed term contracts) have been entered into or amended within six months before the date of the Announcement;
- iii. there are no service contracts in force between any Director and the Company or any of its subsidiaries or associated companies which are continuous contracts with a notice period of 12 months or more; and
- iv. there are no service contracts in force between any Director and the Company or any of its subsidiaries or associated companies which are fixed terms contracts with more than 12 months to run irrespective of the notice period.

J. EXPERTS

The following are the qualifications of the experts who have provided their opinion or advice, which are contained in this circular:

Name	Qualification
Yu Ming Investment Management Limited	a licensed corporation for types 1, 4, 6, and 9 regulated activities under the SFO and the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders
Greater China Appraisal Limited	independent valuer
PricewaterhouseCoopers	Certified Public Accountants

As at the Latest Practicable Date, none of the Independent Financial Adviser, Greater China Appraisal Limited and PricewaterhouseCoopers had direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did any of them have any direct or indirect interests in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date to which the latest published audited accounts of the Group were made up.

Each of the experts named in this paragraph J has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its reports, letters, opinion and advice and all references to its name in the form and context in which it is included.

The letter and advice given by the Independent Financial Adviser is given as of the date of this circular for incorporation herein.

The property valuation report given by Greater China Appraisal Limited is given as of the date of this circular for incorporation herein.

The report on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group from PricewaterhouseCoopers is given as of the date of this circular for incorporation herein.

K. NO MATERIAL CHANGES

Save for all the matters and information as disclosed under the section headed “BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS” in the letter from the Board of this circular, which information has been extracted from the Company’s 2010 interim report and the Company’s announcements dated 31 August 2010, 10 September 2010 and 16 September 2010, as at the Latest Practicable Date, there was no material change in the financial or trading position or outlook of the Group since 31 December 2009, the date to which the latest published consolidated audited accounts of the Group were made up.

L. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially and adversely affect the operations of the Group and no litigation or arbitration or claims which would materially and adversely affect the operations of the Group was known to the Directors to be pending or threatened by or against any member of the Group.

M. MATERIAL CONTRACTS

The following contracts, not being entered into in the ordinary course of business, were entered into by members of the Group within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date and are, or may be, material:

- i. the Underwriting Agreement;
- ii. the agreement dated 3 November 2008 entered into between the Company and Yue Xiu in relation to the transfer and assignment by the Company to Yue Xiu of all of the Company's rights, title, interests and benefit of and in (a) the entire issued share capital of Goldkemp Investment Limited and (b) the shareholder loans owed by Goldkemp Investment Limited to the Company and its subsidiaries in exchange for the transfer by Yue Xiu to the Company of Yue Xiu's entire rights, title, interests and benefit of and in the shares of Techcon Investment Limited and the payment of HK\$250 million by Yue Xiu; and
- iii. an underwriting agreement dated 20 October 2009 entered into between the Company and Yue Xiu in relation to the proposed sale by the Company of the shares of GZI Transport Limited ("GZT") then held by the Company by way of an offer for sale of all such GZT shares to the qualifying shareholders of the Company for an offer price of HK\$3.00 per GZT share, pursuant to which Yue Xiu underwrote all GZT shares which were not taken up by the qualifying shareholders of the Company.

N. MISCELLANEOUS

- i. The principal members of the Underwriter's concert group comprise the Underwriter and 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited). The business address of 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited) is 16th Floor, City Development Plaza, 189 Ti Yu Xi Road, Guangzhou, PRC.
- ii. As at the Latest Practicable Date, Mr. Lee Ka Lun and Mr. Lau Hon Chuen Ambrose have expressed their intention to (i) vote for the resolutions to be proposed at the EGM in connection with the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) and the Whitewash Waiver; and (ii) accept their respective assured entitlements under the Open Offer.
- iii. The company secretary of the Company is Mr. Yu Tat Fung, who is a solicitor of the High Court of Hong Kong. The qualified accountant of the Company is Miss Lam Sing Wah, who is a fellow member of The Association of Chartered Certified Accountant.

- iv. The share registrar of the Company is Tricor Abacus Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong. The share transfer agent of the Company in Singapore is Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623.
- v. The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

O. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours at the registered office of the Company at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on any Business Day, and will also be available on the websites of the Company at "<http://www.yuexiuproperty.com>" from the date of this circular up to and including the date of the EGM:

- i. the memorandum and articles of association of the Company;
- ii. the memorandum and articles of association of the Underwriter;
- iii. the annual reports of the Group for the two years ended 31 December 2009;
- iv. the interim report of the Group for the six months ended 30 June 2010;
- v. this circular;
- vi. the letter from the Independent Board Committee the text of which is set out on page 30 of this circular;
- vii. the letter from the Independent Financial Adviser to the Independent Board Committee of the Company and the Independent Shareholders, the text of which is set out on pages 31 to 44 of this circular;
- viii. the report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- ix. the property valuation report, the text of which is set out in Appendix III of this circular;
- x. each contract set out in the paragraph headed "Material Contracts" in this Appendix; and
- xi. each of the letters of consent referred to under the paragraph headed "Experts" in this Appendix.

P. PARTICULARS OF DIRECTORS**(1) Executive Directors**

Mr Lu Zhifeng of 28th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong, aged 57, was appointed executive Director and Chairman of the Company in 2008. He is also the Chairman of Yue Xiu, the controlling shareholder of the Company. Mr Lu holds a Master of Business Administration degree and the qualification of senior economist in China. He has accumulated nearly forty years of experience in production operation, capital and corporate management. Before taking up his post of Chairman of the Company, Mr Lu was the managing director of Guangzhou Automobile Industry Group Co., Ltd., vice chairman of Guangzhou Automobile Group Co., Ltd., chairman of Guangzhou Honda Automobile Co., Ltd., and vice chairman and executive director of Denway Motors Limited (Stock Code: 203), a company listed on the Stock Exchange. Before that, he had been general manager of Guangzhou Yangcheng Automobile Group Co. and vice chairman and managing director of Guangzhou Yangcheng Automobile Co., Ltd.

Mr Zhang Zhaoxing of 28th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong, aged 47, was appointed executive Director, a Vice Chairman and General Manager of the Company in 2008. He is a vice chairman and general manager of Yue Xiu and the Chairman of GZT, a company listed on the Stock Exchange (Stock Code: 1052). Mr Zhang holds an Executive Master of Business Administration degree awarded by Huazhong University of Science and Technology, and possesses the qualification of senior accountant in China. He has extensive experience in the financial management, industrial operation, capital operation and corporate culture development of large enterprises. Before taking up his post of Vice Chairman and General Manager of the Company, Mr Zhang was the director and general manager of Guangzhou Radio Group Co., Ltd., chairman and general manager of Haihua Electronics Enterprise (China) Corporation, chairman of Guangzhou Guangdian Real Estate Development Co., Ltd. and a director of GRG Banking Equipment Co., Ltd., a company listed on The Shenzhen Stock Exchange (Stock Code: 002152).

Mr Liang Yi of 28th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong, aged 58, was appointed executive Director in 2003. He is also a Vice Chairman of the Company and a director of Yue Xiu. Mr Liang graduated from the Chinese People's Liberation Army Engineering Soldier's University majoring in public administration. Prior to joining Yue Xiu in June 2001, he assumed leading roles in Guangzhou Chemical Industry Bureau and organizations under the party Committee of Guangzhou Municipal People's Government. Mr Liang had made outstanding contribution in establishing the administrative supervisory system of Guangzhou. He has over 20 years of experience in public administration.

Mr Tang Shouchun of 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong, aged 47, was appointed executive Director in 2006. Mr Tang graduated from Nanjing Agricultural University and is a senior accountant, senior economist and registered asset appraiser in China, and has a Doctor degree in Agricultural Economics and Management. Prior to joining Yue Xiu in 2002, he taught at Southwestern University of Finance and Economics in Chengdu and was a vice professor of South China Normal University in Guangzhou. He had been a director and chief accountant of Guangzhou City Construction & Development Group Co. Ltd., responsible for overseeing financial accounting, financial management and capital operation of the company. He also participated in the

planning and operation management of various large real estate projects. Mr Tang is currently a deputy general manager of Yue Xiu, and is responsible for overseeing the Group's financial and treasury affairs. He has extensive experience in the financial management and capital operation of large enterprises.

Mr Liang Youpan of 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong, aged 54, was appointed executive Director on 1 January 2010. He is also a deputy general manager of the Company and Yue Xiu. Prior to joining Yue Xiu in 1998, Mr Liang was the Workshop director of Guangzhou Wen Chong Shipyard Company Limited, which is a subsidiary of China State Shipbuilding Company. Between 1991 and 1998, Mr Liang was a unit head in the administrative supervisory division of the Guangzhou Municipal People's Government. Mr Liang has a wide range of experience in PRC corporate governance practices, particularly in the area of internal controls. Mr Liang graduated in 1986 from Guangzhou Economics Management Cadre's Institute in China with a diploma in corporate governance. Mr Liang is a non-executive director of GZI REIT Asset Management Limited, a company licensed by The Securities and Futures Commission to conduct the regulated activity of asset management and the manager of GZI Real Estate Investment Trust, a collective investment scheme listed on the Stock Exchange (Stock Code: 405).

Mr Lam Yau Fung Curt of 25th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong, aged 41, was appointed executive Director on 1 January 2010. He is also the Group financial controller of Yue Xiu. Mr Lam was previously Head of Corporate Finance and Business Development at GOME Electrical Appliances Holding Limited (Stock Code: 493), one of the China's largest electronics retailers, which is listed on the Stock Exchange. Prior to joining GOME, he spent more than 10 years working in investment banking and capital markets at Schrodgers Asia, ABN AMRO Rothschild, and Deutsche Bank. Mr Lam has extensive experience in financial management, investment and transaction analysis, capital markets, and corporate finance. He is a Chartered Financial Analyst (CFA) and holds a MBA from Rice University in the US.

(2) Independent non-executive Directors

Mr Yu Lup Fat Joseph of 5th Floor, Block 48, Baquio Villa, 555 Victoria Road, Pokfulam, Hong Kong, aged 62, has been an independent non-executive Director since 1992. Mr Yu holds a master's degree in applied finance from Macquarie University in Australia and a diploma of management studies from the University of Hong Kong. Mr Yu has over 40 years of experience in investment, banking and finance and is a senior advisor of Access Capital Limited.

Mr Lee Ka Lun of 19C, Block 1, Illumination Terrace, 5-7 Tai Hang Road, Hong Kong, aged 56, has been an independent non-executive Director since 2000. He is an accountant by profession. Mr Lee is a Fellow of the Association of Chartered Certified Accountants in UK and has over 20 years of experience in banking and auditing. He is an independent non-executive director of Denway Motors Limited (Stock Code: 203), Chow Sang Sang Holdings International Limited (Stock Code: 116) and REXLot Holdings Limited (Stock Code: 555). The shares of the companies mentioned above are listed on the Stock Exchange.

Mr Lau Hon Chuen, GBS, JP, alias Ambrose Lau of 2nd Floor, The Chinese General Chamber of Commerce Building, 24-25 Connaught Road Central, Hong Kong, aged 63, has been an independent non-executive Director since 2004. He obtained a Bachelor of Laws degree from the University of London and is a Solicitor of the High Court of Hong Kong, a China-Appointed Attesting Officer and a Notary Public. Mr Lau is the Senior Partner of Messrs. Chu & Lau, Solicitors & Notaries and is currently a Standing Committee Member of the National Committee of the Chinese People's Political Consultative Conference. Mr Lau is currently an independent non-executive director of Franshion Properties (China) Limited (Stock Code: 817), Glorious Sun Enterprises Limited (Stock Code: 393), GZT, Qin Jia Yuan Media Services Company Limited (Stock Code: 2366), The Hong Kong Parkview Group Limited (Stock Code: 207), Wing Hang Bank Limited (Stock Code: 302) and Brightoil Petroleum (Holdings) Limited (Stock Code: 933). The shares of the companies mentioned above are listed on the Stock Exchange. He is also a Director of Bank of China Group Insurance Company Limited, BOC Group Life Assurance Company Limited, Nanyang Commercial Bank, Limited, Chu & Lau Nominees Limited, Sun Hon Investment And Finance Limited, Wydoff Limited and Wytex Limited. Mr Lau served as the Chairman of the Central and Western District Board between 1988 and 1994, the President of the Law Society of Hong Kong in 1992-1993, a Member of the Bilingual Laws Advisory Committee between 1988 and 1997 and a Member of the Legislative Council of Hong Kong from 1995 to 2004 (between 1997 and 1998 he was a member of the Provisional Legislative Council).



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Yuexiu Property Company Limited (the “**Company**”) will be held at Granville Room, Lower Lobby, Conrad Hotel, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 12 October 2010 at 9:30a.m. (“**EGM**”) for the purpose of considering, and if thought fit, passing, with or without modifications, the following resolutions which will be proposed as ordinary resolutions of the Company. Unless otherwise indicated, capitalized terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 24 September 2010.

ORDINARY RESOLUTIONS

1. “**THAT** subject to (i) the resolution 2 below being passed and (ii) the Underwriting Agreement (a copy of the Underwriting Agreement marked “A” has been produced to this meeting and initialed by the Chairman of the meeting for the purpose of identification) becoming unconditional and not being terminated in accordance with its terms:
 - (a) the absence of arrangements for application for the Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules be and the same are hereby approved, confirmed and ratified; and
 - (b) the Directors be and are hereby authorised to do all such acts and things as they consider necessary or expedient in connection with the Open Offer.”

2. “**THAT** the application for a waiver to the Executive for waiving the obligation of Yue Xiu and parties acting in concert with it to extend a general offer to acquire all issued Shares (excluding the Shares which are owned or agreed to be acquired by any of them) under Rule 26 of the Takeovers Code as a result of the Open Offer and the Underwriting Agreement be and is hereby approved and that the Directors be and are hereby authorised to do all things and acts and sign all documents which they consider desirable or expedient to implement and/or give full effect to any matters relating to or in connection with the Whitewash Waiver”.

3. “**THAT** the authorised share capital of the Company be and is hereby increased from HK\$1,000,000,000 divided into 10,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of 10,000,000,000 new Shares”

By order of the Board of
Yuexiu Property Company Limited
LU Zhifeng
Chairman

Hong Kong, 24 September 2010

Registered office:

26th Floor, Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

Notes:

1. The register of members of the Company will be closed from Wednesday, 6 October 2010 to Tuesday, 12 October 2010 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 5 October 2010 (Hong Kong time). Transferees in Singapore may lodge their transfer documents accompanied by the relevant share certificates for registration no later than 5:00 p.m. on Tuesday, 5 October 2010 (Singapore time) with the Company’s Singapore share transfer agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. Where there are joint holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, provided that if more than one of such joint holders be present at the EGM personally or by proxy, the person whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. To be valid, the proxy form in respect of the proposed resolutions for the EGM and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited with the Company’s share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the time at which the EGM is convened to take place (or adjourned meeting thereof).

4. Completion and return of the proxy form in respect of the proposed resolutions for the EGM will not preclude a member from attending and voting in person at the meeting (or any adjournment thereof) should he/she so wishes and in such event, the proxy form for the meeting will be deemed to have been revoked.
5. The proposed resolutions No. 1 and No. 2 will be voted by poll by the Independent Shareholders. The proposed resolution No. 3 will be voted by poll by all Shareholders.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
7. As at the date hereof, the executive directors of the Company are LU Zhifeng, ZHANG Zhaoxing, LIANG Yi, TANG Shouchun, LIANG Youpan and LAM Yau Fung Curt; and the independent non-executive directors of the Company are YU Lup Fat Joseph, LEE Ka Lun and LAU Hon Chuen Ambrose, respectively.