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ECONOMIC BACKGROUND

There is more evidence that the China economy growth lost its momentum recently amidst a tightening credit environment. Along with the softened PMI, the y-o-y growth of the industrial output has gradually moderated since the second quarter of 2011. On the other hand, partly due to the boost of increasing construction of affordable housing, investment in real estate maintained its upward momentum in the first five months of the year. The hardened inflation rate, which picked up to a record high of past 34 months in May, kept the government remaining tightening stance on monetary policy. This led to a continuous hike of RRR which has been lifted once for each month in the first half of 2011. Meanwhile, RMB appreciation accelerated in the second quarter, though it could be dampened in line with the global risks aversion to filter through in the near periods.

In the second quarter of 2011, government focused more on the implementation of policies on residential sector released previously rather than rolling out new measures. However, it is not likely to see the policy relaxation in the near future given the pick up of residential sales volume in mid-year. As liquidity is drained from the economy, developers are now more dependent on other funding sources such as trust, thus triggering a tighter regulation on this sector.

MARKET PERFORMANCE

The commercial property market recorded a stellar performance in the second quarter of 2011, backed by strong absorption across cities. The prime office market accelerated its upward momentum and concomitantly turned more favourable for landlords, especially across first-tier cities. Beijing registered an all-time high rental growth in this quarter due to soaring demand while Shanghai and Guangzhou both registered quarterly growths above 5%. Nevertheless, Shanghai also saw new supply up to 500,000 sm in the same period. Following this, cities under our coverage registered a broad-based inflation for office rents, around 1% to 3% for most second-tier cities.

During the same quarter, prime retail market gathered steam, supported by sound fundamentals which translate to trends including acceleration of fast fashion retailers' expansion and upgrading consumption market across second-tier cities, along with the completion of increasing modern retail facilities. Reportedly, international brand names such as Gap, Uniqlo and H&M launched new stores across cities such as Beijing, Shanghai, Guangzhou and Hangzhou in recent months. Meanwhile, retail operators paced up to establish new outlets to grab the opportunity of upgrading demand in second-tier cities. For example, MIXC by CR Land debuted in Shenyang in May and announced an investment plan for a branch in Xi'an.

The luxury residential sales market was further dampened by the continuously curbing measures, as manifested in thin transaction volume. Although some cities such as Shanghai have revived somewhat since May due to proactive price cutting by major developers, the majority of both sides of the market were still fence-sitting. Prices largely held firm in the second quarter. Logistics facilities mounted at a moderate albeit stable pace across most cities we cover. Beijing and Guangzhou in first-tier cities, and the western and central regions recorded a better performance thanks to the limited supply for the former and robust domestic consumption growth for the latter.

FEATURE STORY

JBZ vs. JFB: A Tale of Two CBDs

The traditional CBD at Jiefangbei (JFB) has gradually become a “bottleneck” for business activities against a backdrop of Chongqing’s aspiration to be the economic centre on the upper Yangtze River as it’s the only municipality in western China. Therefore, Jiangbeizui (JBZ), which is located almost opposite Jiefangbei across a river, is starting to become of a bright spot for new development. With a planned land area of 5 sq km, the Jiangbeizui CBD is surrounded with the Yangtze River on the east side and the Jialing River on the south side. Development has been ongoing since 2005 and is expected to be completed in 2015 and accommodate 80% of all the financial institutions in town by 2020. Development land is estimated at about 226 hectares, with a total GFA of 6.53 million sm (including about 1.1 million sm underground). Compared to the scale of financial areas in Beijing and Shanghai, Jiangbeizui in Chongqing is equivalent or even will have surpassed them in terms of GFA. Moreover, Jiangbeizui will be more diverse, as its planning includes 33% of GFA for residential developments.

Table 1 Comparison of Financial Centres in Major Cities

City	Beijing	Shanghai	Chongqing
Population (mil)	19.72	19.21	32.76
GDP (bil RMB)	1,378	1,505	653
Financial Centre	Financial Street	Lujiazui	Jiangbeizui
Core Area (sq km)	1.18	1.7	2.3
GFA (mil sm)	3.355	4.35	653.0
Planned Office Stock (mil sm)	2.726	3.219	262.0
Planned Residential Stock (mil sm)	N/A	0.261	179.0

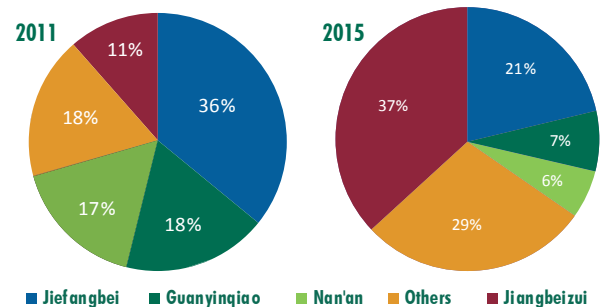
1,187 mu of development land has been sold as of Q2 2011 in the 2.3-sq km core area of Jiangbeizui CBD. Land prices have soared from RMB 5.5 million per mu for the first plot sold in 2006 to RMB 44.06 million per mu in 2011. Despite the fact that the area is still at a start-up stage, the road system has basically been in shape and infrastructure is constantly being improved. Other than the four office buildings of the Financial Centre, a few more projects have also broken ground, and the majority of new supply will land in 2015.

Table 2 Jiefangbei CBD vs. Jiangbeizui CBD

	Jiefangbei CBD	Jiangbeizui CBD
Core Area (sm)	0.92	2.3
Planned Commercial Building Stock (mil sm)	2.49	4.355
Planned Office Stock (mil sm)	1.73	2.62
Industry Background	Including financial, trading and various sectors	Estimated to accommodate 80% of all the financial institutions in town when completed

CBRE
CB RICHARD ELLIS
世邦魏理仕

According to CBRE, it is envisaged that over 2 million sm of prime office will come on stream over the next five years, which will double the supply amount during the same period in Jiefangbei. This should facilitate the upgrading of Chongqing office market. The stock in Jiefangbei will account for 21% of the total volume in Chongqing in 2015, decreasing from 36% seen in 2011 while that of Jiangbeizui will soar to 37% in the next five years from a low base of 11%. Once all the pipeline supplies are realised, Jiangbeizui is expected to be the most important CBD in Chongqing.

Chart 1 Prime office distribution in different sub-markets in Chongqing

On the demand side, 25 financial institutions so far have confirmed to put their regional headquarters in Jiangbeizui, and a few more MNCs have announced intentions to establish settlement centres or national note trade centres in this area. Taking into account the fact that a few projects will be developed and owner occupied by financial institutions, the likelihood of oversupply in the near future is getting slim. On the whole, more than 730,000 sm of office space is expected to be developed by financial institutions, and approximately 60% of these spaces will be retained for self use.

Looking ahead, robust demand from the financial sector should boost the development of Jiangbeizui and eventually forge this area into a cluster of financial institutions and a renowned CBD. The formation of Jiangbeizui CBD is expected to be one of the major drivers behind Chongqing’s transformation to be a significant economic hub in West China with widespread regional influence in the medium to longer terms.

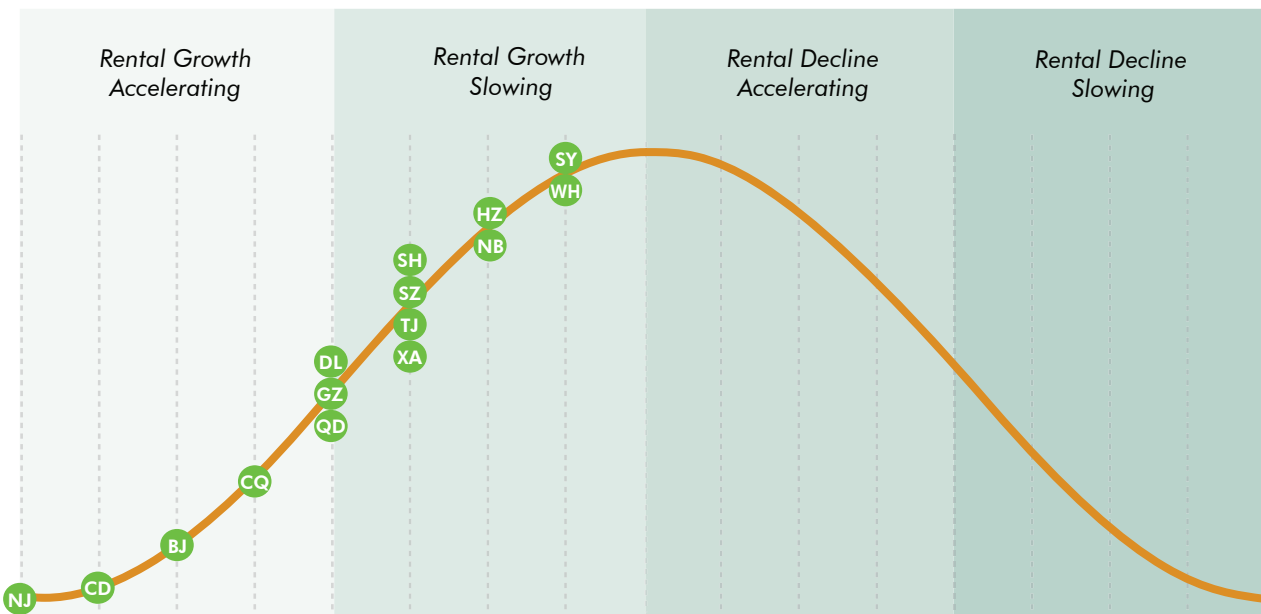
Table 3 List of major financial institutions confirmed to move to Jiangbeizui CBD

Institution	Project Name	Office GFA (sm)	Year of Hand Over
China Development Bank	Financial Center (C)	32,470	2011
China Life	Financial Center (D)	34,542	2011
Huaxia Bank	Financial Center (A)	58,500	2012
Ping An Trust	Financial Center (B)	41,400	2012
Chongqing Bank	*Owner titled	100,000	2013
Southwest Securities	*Owner titled	136,660	2014
Rural Commercial Bank (CQ)	*Owner titled	68,363	2015
Agricultural Bank of China	*Owner titled	102,320	2015
Guohua Life Insurance	TBC	87,500	2015
Bank of China	*Owner titled	69,630	2015

Office Rental Cycle



Luxury Residential Rental Cycle

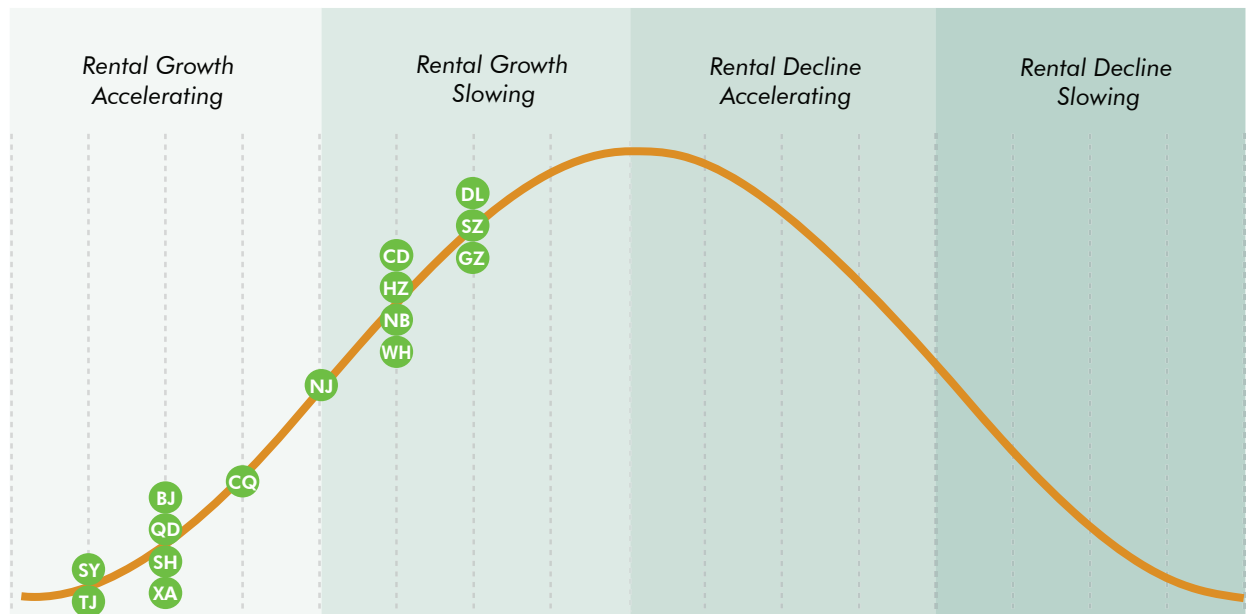


BJ Beijing TJ Tianjin DL Dalian SY Shenyang QD Qingdao SH Shanghai NJ Nanjing HZ Hangzhou NB Ningbo GZ Guangzhou SZ Shenzhen CD Chengdu CQ Chongqing WH Wuhan XA Xi'an

Retail Rental Cycle

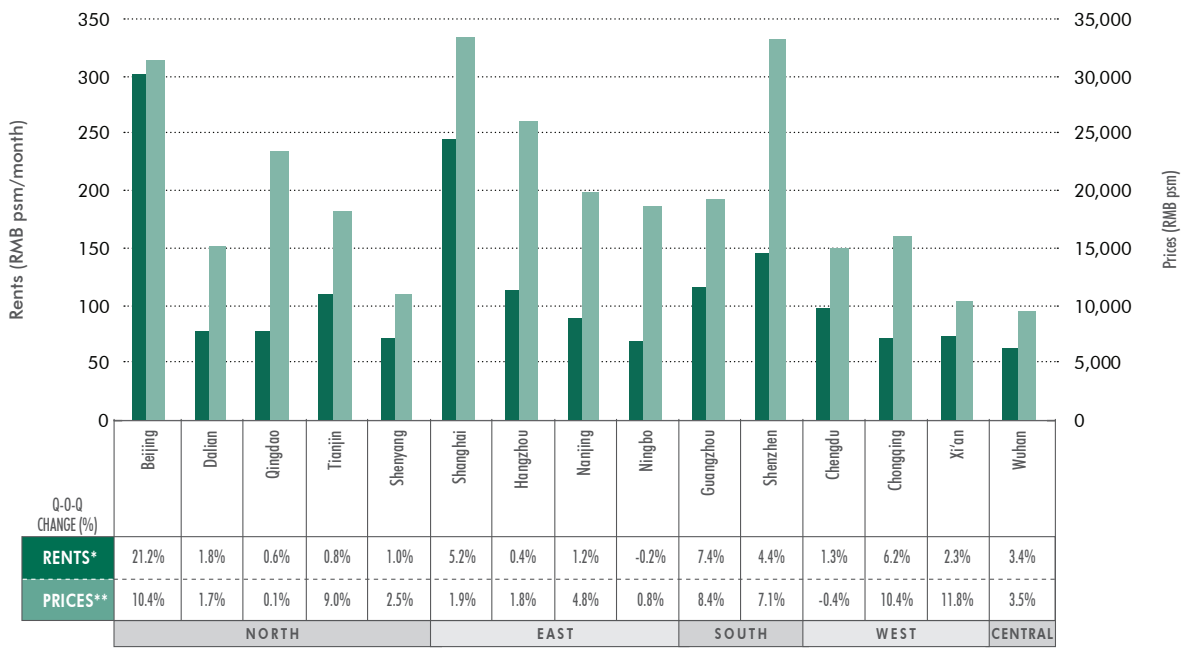


Logistics Rental Cycle

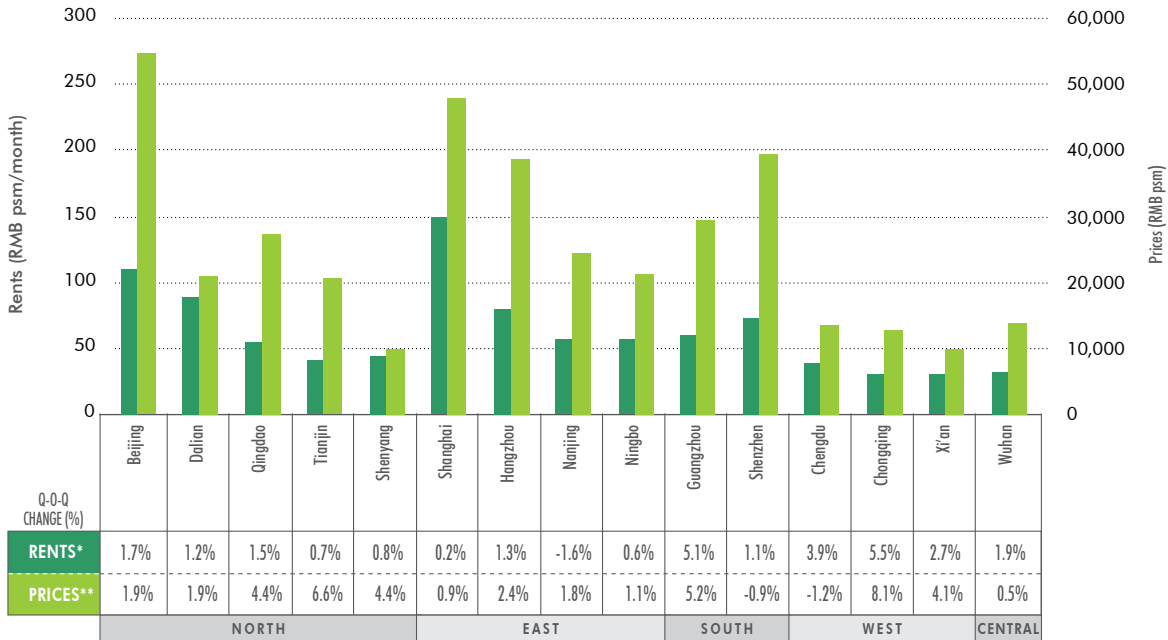


BJ Beijing TJ Tianjin DL Dalian SY Shenyang QD Qingdao SH Shanghai NJ Nanjing HZ Hangzhou NB Ningbo GZ Guangzhou SZ Shenzhen CD Chengdu CQ Chongqing WH Wuhan XA Xi'an

Prime Office Rents/Prices

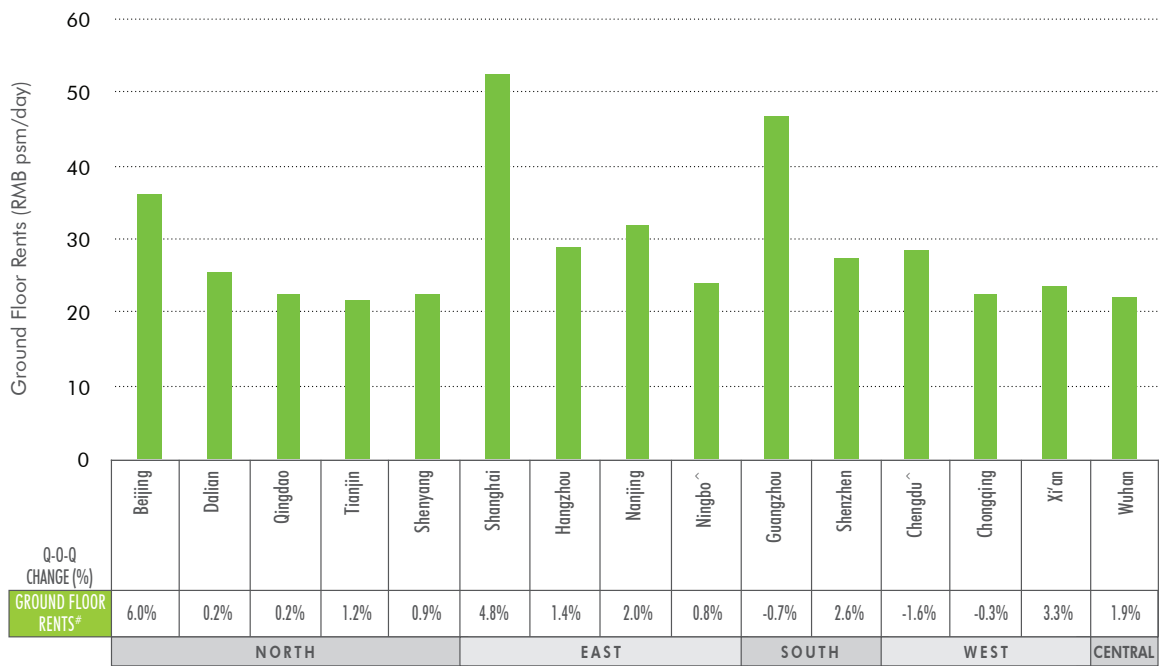


Luxury Apartment Rents/Prices

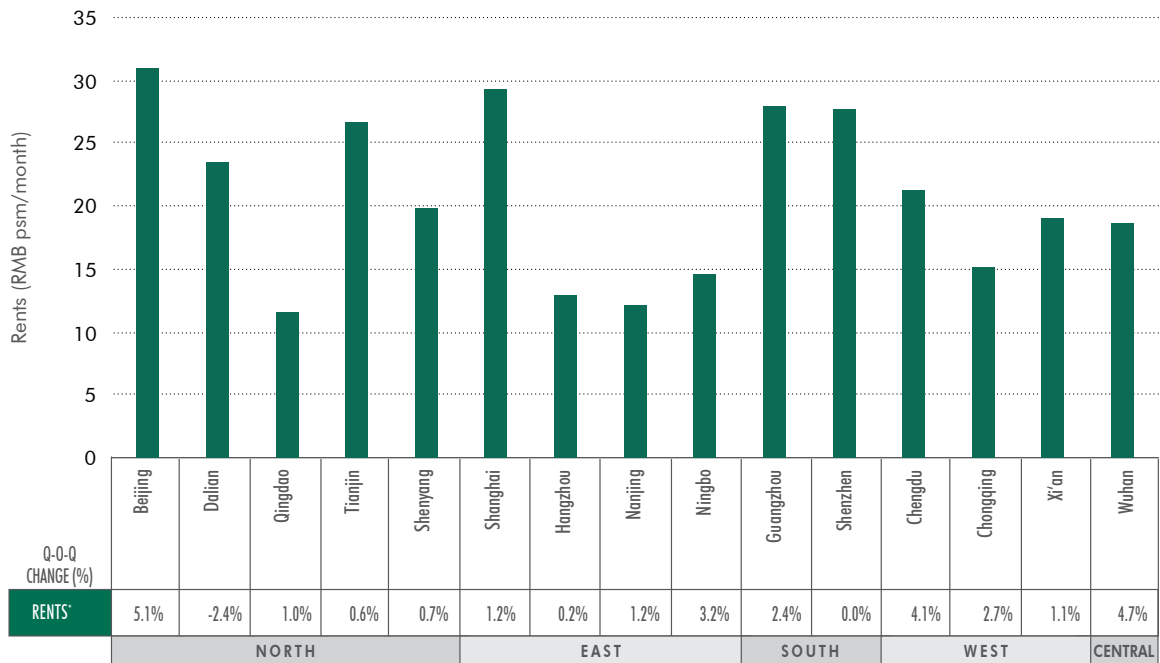


* On gross floor area basis, excluding management fees
 ** On gross floor area basis

Prime Retail Rents



Logistics Rents



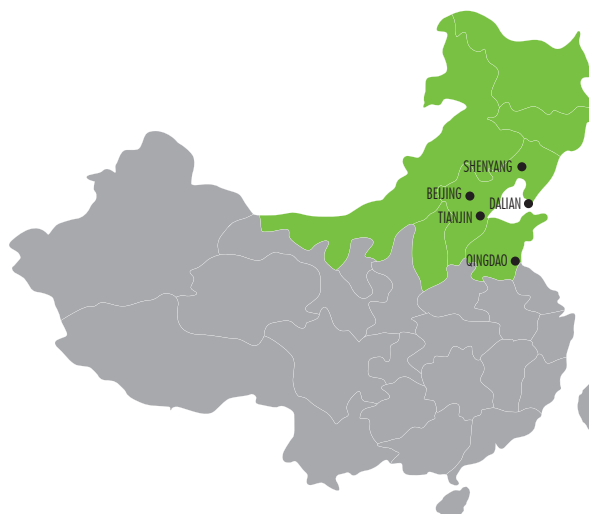
On net floor basis, excluding management fees
 * On gross floor basis, excluding management fees
 ^ Database adjustment

NORTH CHINA

The prime office market in North China has seen rent growing in the second quarter of 2011. Led by Beijing, where the prime office market witnessed an unprecedented rent growth of 21.2% q-o-q, Tianjin, Dalian, Shenyang and Qingdao have all witnessed moderate rent increases of 0.8%, 1.8%, 1.0%, and 0.6%, respectively. The strong rent growth in the period was spurred on by the limited supply coming into market and strong expansion demand from domestic companies. The robust demand drove the vacancy down to single digit for Beijing and around 11% for the other cities.

Due to the government measurements to cool down the residential market, we saw slowing down price appreciation in the luxury residential market in the north region. The policy has affected first-tier cities more than second-tier cities. Beijing market recorded q-o-q growth of only 1.9%. In the leasing market, driven by rising demand, average rentals were on stable growing trajectories with growth rates between 0.6% and 1.5%.

Retail operation in Northern China has shown signs of moving toward maturity. The retail tenants are diversifying. In Beijing and Shenyang, even with substantial volume of new supply coming in, the market performed bullishly. Beijing even registered a surging rent growth of 6% q-o-q. Due to the limited market supply in Dalian, Qingdao and Tianjin and the pre-leasing of new projects, vacancy rates have dropped for all cities. Shenyang market performed extremely well, with the vacancy rate dropping 5.4 percentage points to 14.1% even with 318,952 sm new supply coming on stream.



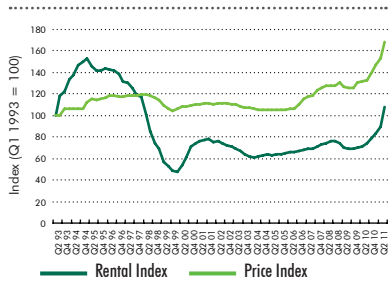
As for the industrial property market, the momentum of growth has continued for most cities. For the period under review, the transactions were rather active in Beijing, leading to a rent growth of 2.2% q-o-q. The land prices of all five cities exhibited stable growth trends.

RENTAL					
	Beijing	Dalian	Qingdao	Tianjin	Shenyang
Office	↑	↑	↑	↑	↑
Luxury Residential	↑	↑	↑	↑	↑
Retail	↑	↑	↑	↑	↑
Industrial	↑	↓	↑	↑	↑

BEIJING

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	8-10%	3-5%	3-5%	5-8%
Vacancy Rate Trend in 6 months	↓		↓	

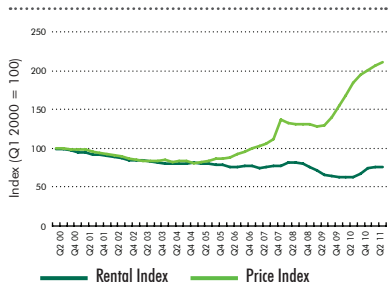
Beijing Prime Office Market



In the second quarter of 2011, Beijing's prime office market performed strongly. Large transaction volume and tremendous rental increases both hit record highs, while the vacancy rate continued to fall. No prime office projects were completed in Beijing this quarter, bringing even more pressure on the market with tight supply. However, market demand continued to enlarge, creating a record high quarterly take-up of 318,000 sm. By the end of this quarter, the overall vacancy rate of Beijing's prime office market was 7.6%, down 4 percentage points from the previous quarter. Driven by a market trend of short supply, Average rental of Beijing's prime office market was registered at RMB301.1 psm per month, a surge of 21.2% q-o-q, the highest quarterly rental increase in the history of Beijing's prime office market.

It is expected that in the next six months, Beijing will see a new completion of 390,000 sm prime office supply. Nevertheless, the supply is still insufficient and the pressure of tight supply will continue. Meanwhile, the vacancy rate will continue to decrease, leading to gradual decline of vacant space and increasingly limited choices for tenants. Therefore, landlords' desire to raise the rent will continue. Short supply of offices in central business districts of the city and rising rents will drive some clients to choose business park buildings located in areas surrounding the city to meet their requirements.

Beijing Luxury Residential Market

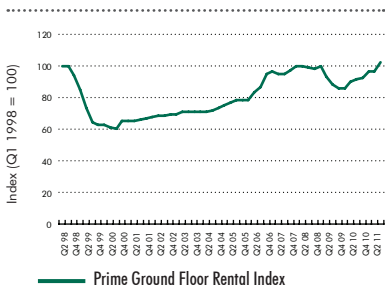


Affected by the previously released control measures, demand in the Beijing luxury residential sales market has been restrained, accompanied by the scale-back in new supply. In order to ensure stable performance of housing prices, the Beijing municipal government modestly approved pre-sale licenses for luxury residential projects during the whole quarter, resulting in an easing back of new supply for the first half of the year. Meanwhile, the uncertainty of the market drove developers to resume their fence-sitting strategy and postponed new launches. The pent-up demand caused by home purchase restrictions polarised the luxury residential prices. Projects focusing on attracting demand for improved living standards, which are usually located far from the core business districts and feature relatively low prices, started offering meaningful discounts to promote transactions. On the other hand, backed on its limited supply, some luxury projects in the central areas raised their prices notably to improve their profiles. The mixed performance led to a narrow increase of average prices, up 1.9% q-o-q to RMB 54,805 psm.

The luxury residential leasing market remained active with steadily increasing demand registered. Within the quarter, the market experienced a lower vacancy rate and saw a growth in asking rentals. The average rental of luxury apartments rose 1.7% q-o-q to RMB 109.9 psm per month.

BEIJING

Beijing Prime Retail Market

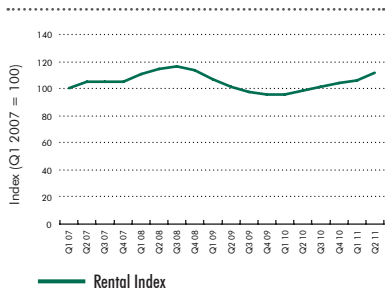


In the second quarter of 2011, three new projects were opened, including Qianmen Avenue II, NOVO Shopping Mall and Surprise Outlets, offering a total of 97,928 sm of new supply to the market. The growth of the retail property market firmed up, partly due to the improving pre-commitment of new projects. The overall market vacancy rate dropped by 1.2 percentage points q-o-q to 9.9% by the end of the quarter.

Recently stabilised projects were actively lifting up their rental levels; thus, the average rental for ground floor space surged by 6% q-o-q to RMB 35.9 psm per day. Forever 21 and Apple leased 1,300 sm and 2,300 sm, respectively, in Beijing APM. Rainbow Department Store committed 37,000 sm in Xinao Shopping Centre. Dquared2 and 45R leased 400 sm and 130 sm, respectively, in Sanlitun Village.

In 2011, the demand driver is shifting from luxury retailers seen last year to mid-high fashion retailers. The growth of children's brands was also significant. However, consumer influx is thin across recently completed projects despite the increasing occupancy rates seen in these premises. Thus, it is yet to be seen whether rental growth will be sustained.

Beijing Logistics Market



In the second quarter of 2011, the Beijing industrial land price continued to increase dramatically, up 15.3% q-o-q to RMB 1,926 psm. Average rents of manufacturing, logistics and R&D facilities continued to expand by 0.7%, 5.1% and 1.9% q-o-q to RMB 43.3, 30.9 and 104.4 psm per month, respectively.

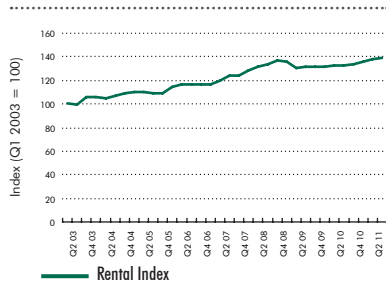
During the quarter, Guoguang High-Tech Building Phase II in BDA and Dongsheng Park B project in Dongsheng Park were completed. MSD and Misys leased 12,000 sm and 8,000 sm, respectively, in UBP Central Plaza. The industrial property market continued to be driven by the expansion of retailers. Tiantian.com, Watson's and Les Enphant leased 12,000, 12,000 and 6,000 sm, respectively, in GLP Park Daxing.

In 2011, the Beijing market saw limited new supply against fast growing demand. Industrial properties in major industrial areas, including Z Park, Shangdi, Beijing Electronic City, Beijing Tongzhou Logistics Park and Beijing Airport Logistics Park were nearly fully occupied. Against this backdrop, future rental levels are expected to continue to rise.

TIANJIN

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	0-3%	0-3%	3-5%	0-3%
Vacancy Rate Trend in 6 months	↑		↓	

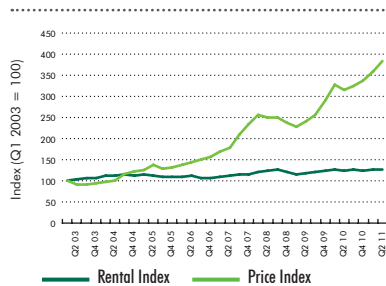
Tianjin Prime Office Market



In the second quarter of 2011, rents for the prime office market in Tianjin rose by 0.8% to RMB 110.2 psm per month, driven by increased demand and the lack of new supply. Compared to last quarter, the overall vacancy rate came off by 1.1 percentage points to 11.5%. Absorption recorded for Tianjin City Tower and Tianjin IFC exceeded an aggregate 10,000 sm in the quarter, reflecting the buoyancy of the market. Meanwhile, demand for expansion increased notably after March.

Jinta office building is expected to launch in the next quarter, which will exert some pressure on the overall vacancy rate.

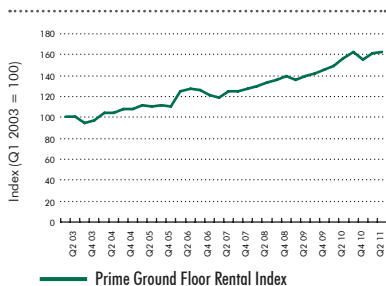
Tianjin Luxury Residential Market



The policy front remained largely quiet in the second quarter in Tianjin. However, the luxury residential market was still dampened in volume by tightening controls filtering through. Average prices of luxury apartments rose 6.6% to RMB 20,515 psm by the end of this quarter.

The luxury residential leasing market marched up steadily as average rentals of apartment recorded a q-o-q gain of 0.7%, reaching RMB 40.3 psm per month.

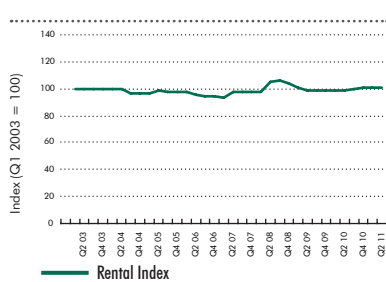
Tianjin Prime Retail Market



In June, Lotte Department Store unveiled its 50,000-sm new space with a low vacancy rate registered due to decent pre-leasing. As such, the prime retail market recorded bullish net absorption, dragging down the overall vacancy rate by 0.8 percentage points to 12.7%. Following Helena Rubinsrein's debut operation in Hisense Plaza last quarter, Lancôme opened in Hisense Plaza in June. In addition, brands such as Benefit, Calvin Klein Collection, MCM, Michael Kors and Sulwhasoo all have secured a place in the Lotte Department Store.

During the quarter under review, the average rent for ground floor space rose by 1.2% to RMB 21.8 psm per day.

Tianjin Logistics Market

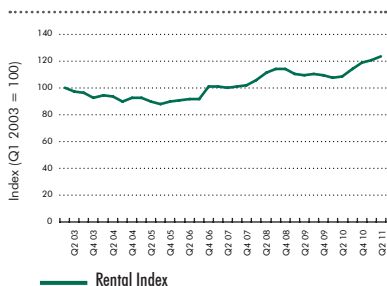


Tianjin industrial property market continued its growth at a stable pace. Average rents of logistics facilities edged up 0.6% q-o-q to RMB 26.8 psm per month while land prices for industrial use inflated at a marginal 0.1%, reaching RMB 449.2 psm. Recently, more high-quality companies flocked to state-level development zones, such as XEDA, which demonstrate rapid pace of development supported by preferential policies. Concomitantly, rents of logistics facilities are expected to see a slow albeit steady growth in the future.

DALIAN

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	0-3%	0-3%	0-3%	0-3%
Vacancy Rate Trend in 6 months	↑		↓	

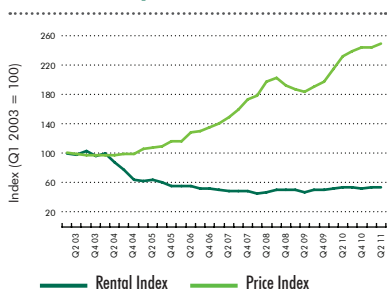
Dalian Prime Office Market



Dalian prime office market remained bullish in the second quarter of 2011, as manifested by increasing demand both for new leasing and expansion. As a result, average rentals edged up 1.8 % q-o-q to RMB 77.5 psm per month, while the overall vacancy rate dropped 2 percentage points q-o-q to 11.3%. The leasing market turned active during the quarter with transactions recorded as Shenhua Holdings and Beeda Technology's leasing two floors and half-floor office space in Future Tower, respectively.

The upcoming project, Modern Service Headquarters Tower on Xi'an Road is scheduled to be launched at the end of this year. It is expected to provide 54,000 sm office space and bring up the overall vacancy rate in the following quarters.

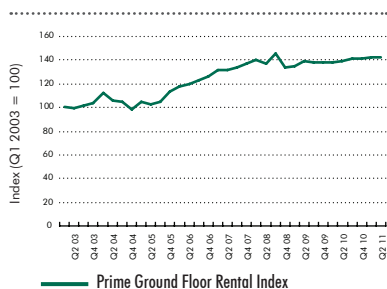
Dalian Luxury Residential Market



Due to the promulgation of purchase restrictions, credit crunches and other tightening measures, the number of Dalian luxury apartment presale projects reduced, and the transaction volume remained in decline during the second quarter. Nevertheless, the average price still firmed up to RMB 20,938 psm, 1.9 % higher than last quarter.

On the other hand, driven by the increase of expatriates from foreign invested enterprises, the luxury residential leasing market was stimulated with the average rental of luxury apartments rising 1.2% q-o-q to RMB 88.4 psm per month.

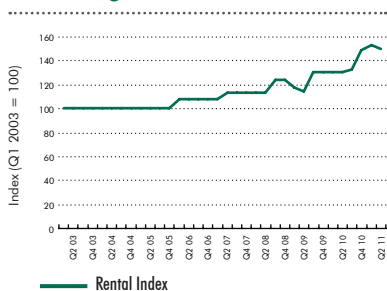
Dalian Prime Retail Market



In the quarter, Dalian prime retail property market experienced a mild rise amidst stabilisations for most projects. Rentals on ground floor registered a minor increase of 0.2% q-o-q on average to RMB 25.5 psm per day. Without the presence of new projects and having a stably growing demand, the vacancy edged down further by 0.4 percentage points to 6.5%. Demand remained steady in line with expansions of more international brands. For instance, the first store of benefit located in Mykal Main Store of Dalian kicked off operation during this quarter.

It is estimated that pipeline supply for the whole year of 2011 is rare; therefore, the vacancy rate will come off on the back of solid demand, and the rental will keep an ascendant trend.

Dalian Logistics Market



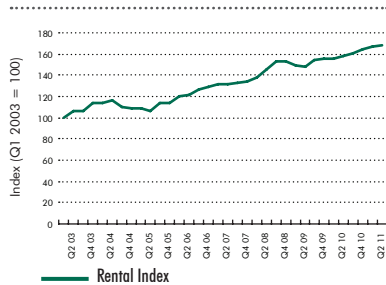
Dalian logistics facilities market remained stable with steady demand during the second quarter of 2011. Recently, Eternal Aisa, Huandong and other warehouses were completed and put into use, providing sufficient supply to the industrial market. Due to the low quotations of rent for the new properties, the average rent of logistics facilities dipped 2.4% to RMB 23.4 psm per month. The average industrial land price recorded mild growth of 0.5% at the same time, to RMB 520 psm. In this quarter, industrial land transactions mainly occurred in Lvshunkou District.

In light of adequate supply in the pipeline, rentals are expected to witness a stable trend in the short term. Also, there is limited space for growth of land price in the near future.

SHENYANG

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	0-3%	3-5%	0-3%	0-3%
Vacancy Rate Trend in 6 months	↓		↑	

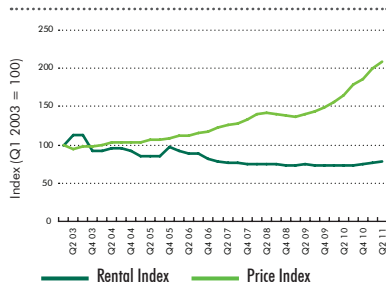
Shenyang Prime Office Market



There has been no new supply coming on stream for two consecutive quarters. The overall vacancy rate of Shenyang prime office market continued shrinking to an all-time low of 10.3%, registered as of end of the second quarter, 1.2 percentage points down over end-March. Within the quarter, average rents edged up 1% to RMB 70.8 psm per month.

Looking forward, the launch of Huaqiang Square is postponed to the third quarter of 2011. CR Building, which is located at Golden Corridor, will launch into market in the same quarter as well, providing an aggregate GFA of 50,500 sm of prime office space. The completion of these new projects is expected to alleviate the supply shortage in the market.

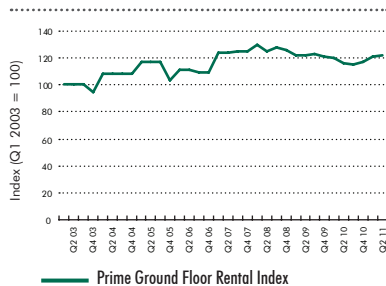
Shenyang Luxury Residential Market



Overshadowed by curbing measures, especially home purchase restrictions, the upward momentum of Shenyang luxury apartment prices moderated, averaging at RMB 9,772 psm, 4.4% up q-o-q by the second quarter. On the other hand, quite a few Shenyang villa schemes located outside the second ring road area are exempt from restrictions. Therefore, villa projects were hardly influenced by the tightening policies and saw stellar performance during the quarter.

Meanwhile, Shenyang luxury leasing market remained prosperous, with rents inflating 0.7% q-o-q to RMB 43.8 psm per month.

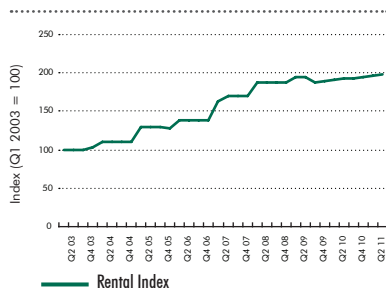
Shenyang Prime Retail Market



The Shenyang prime retail market saw an influx of adequate supply in the second quarter. Two shopping malls, Mixc and L-Avenue in Gold Corridor, along with New World Mid Street Department Store, were unveiled, providing a combined GFA of 318,952 sm. Meanwhile, Shenyang Shangyecheng Shopping Centre re-launched during the quarter after renovation. Nevertheless, supported by the successful pre-leasing of new projects and improvement in absorption of existing ones, the overall vacancy rate dropped 5.4 percentage points to 14.1%. Meanwhile, average rents for ground floor space increased to RMB 22.3 psm per day, up 0.9% q-o-q.

The debut of Mixc and L-Avenue would help foster the development of Shenyang prime retail market, backed by the revival of market sentiment, which felt a pinch after Seibu and Maison Mode closed in previous periods.

Shenyang Logistics Market



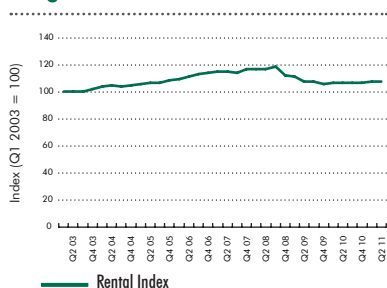
Demand for logistics facilities continued to rise during the quarter, driving rents up by 1% q-o-q to RMB 19.9 psm per month.

The strong recovery of Shenyang industrial property market attracted a few national companies to fetch for Shenyang industrial property, such as Haier Group. As a result, Shenyang industrial land price increased 1.5% q-o-q to RMB 341.7 psm. In the ensuing quarters, a mild growth rate for Shenyang industrial land market is expected to be sustained, backed by robust fundamentals.

QINGDAO

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	0-3%	0-3%	0-3%	0-3%
Vacancy Rate Trend in 6 months	↑		↑	

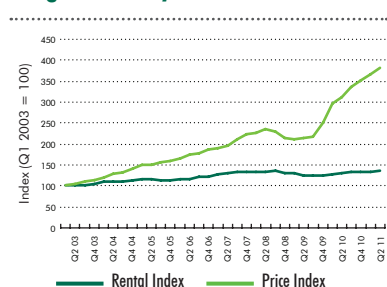
Qingdao Prime Office Market



The average rental of Qingdao prime office was recorded at RMB 76.4 psm per month, a q-o-q increase of 0.6% in this quarter. The rental increase was firmly underpinned by a sustained high level of leasing activities, reflected by a total of 42,404 sm of net absorption, up 34% q-o-q. Among this, space rented by domestic financial institutions accounted for the majority. China Construction Bank committed to 30,485 sm of office space in QD Finance Plaza, while Hebei Bank leased a 3,000-sm unit in COSCO Mansion. With a concomitant lack of new supply during this quarter, Qingdao overall office vacancy rate stood at 11.8%, down by 2.1 percentage points over last quarter.

It is expected that 72,600 sm of prime office space will be completed in the third quarter, including Capland Centre and Zhongshang Mansion.

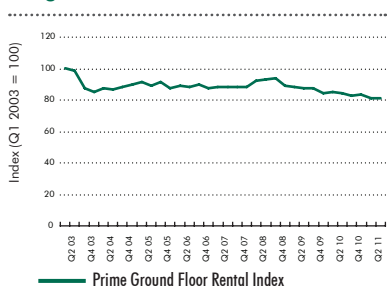
Qingdao Luxury Residential Market



The sustaining macro controls on the residential market continued, while the impact on the price front is not yet evident, and the transaction volume revived in the second quarter of 2011. This is mainly attributable to the high price sustained for projects launched during this quarter, such as Farglory Mansion and the China Bay, some of which have reached RMB 37,000 psm or above. On the whole, average price mounted by 4.4% q-o-q to RMB 27,488 psm.

Meanwhile, the luxury leasing sector also rolled up within the period under review, and the average rental reached RMB 54.8 psm per month, increasing by 1.5% q-o-q.

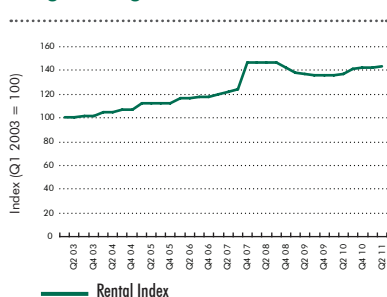
Qingdao Prime Retail Market



The prime retail market in Qingdao was active in the second quarter, as manifested in the fact that sales revenue reportedly reached new highs for major retailers. With the vacuum of new supply, rents for ground floor space was recorded at RMB 22.4 psm per day, up 0.2% q-o-q. Vacancy rates of the overall market dipped to 8.1%, a drop of 0.6 percentage points from the end of last quarter.

Projects in emerging retail areas, coming on stream since end-2009, including the Marina City and Qingdao CBD Wanda Plaza, showed stabilisation and were gradually recognised as a renovation of the city's retail market.

Qingdao Logistics Market



In the second quarter of 2011, Qingdao logistics facilities market maintained its upward momentum, with the average rental recording a quarterly gain of 1% to RMB 11.6 psm per month.

The industrial land price remained largely stable at RMB 330.2 psm for the quarter. The bulk of land sales transaction concentrated in Chengyang District and Jimo County. The largest industrial land transaction in terms of land area recorded for the second quarter was the acquisition of a 282,035-sm site in Chengyang district by BST-Transportation at a total consideration of RMB 76.7 million. It is noteworthy that Qingdao High-tech Zone has attracted the China Merchants Group to invest US\$2.2 billion in the German town project and software creative industrial park project.

EAST CHINA

The property market remained buoyant across the eastern region of China, except for the fact that the luxury residential sector was still overhung by curbing measures. Three out of four cities registered q-o-q gains in rents of the prime office sector while Ningbo's stayed largely flattish. During the second quarter, there were a total of eight buildings completed in Shanghai's Puxi and Pudong, bringing new space amounting to more than 500,000 sm, which is a historical high of quarterly supply. On the whole, Shanghai, Hangzhou and Ningbo all recorded influx of adequate supply coming on stream while the above two cities remained in upward trajectories for their rentals, indicating strong absorption of the market.

There is no sign of loosening in policy front, and thus the residential sector remained lacklustre in transaction volume, mainly due to the implementation of house purchase restrictions. On the other hand, prices did not lose upward momentum and kept rising, upheld by limited inventory of luxury projects across cities. However, growth of strata sales prices moderated somewhat compared to last quarter.

Underscored by robust fundamentals and scarce new supply, the prime retail property market in four cities across East China all marched up with uptrend rents. On the demand side, fast fashion retailers led the expansion in the market of Shanghai and Hangzhou with several brands newly launched flagship stores along Nanjing West Road and The West Lake. Attracted by the thriving markets of cities with affluent entrepreneurs such as Hangzhou and Ningbo, luxury brands continued keeping eyes on locations for setting footholds. For example, Paul & Shark



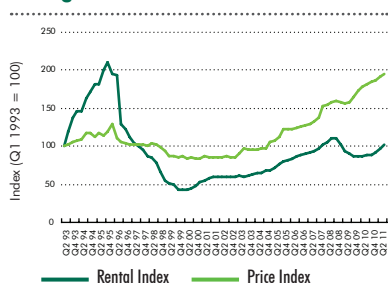
recently secured a place in Hangzhou Tower for its flagship store. Booming domestic consumption rendered support for acceleration of rental growths for logistics facilities across all cities in the region. Presently, some logistics facility providers, including a few international 3PL service providers chose to build multi-storey warehouses to maximise the utilisation of limited land resources in cities with narrowing supply of land for logistics use.

RENTAL				
	Shanghai	Hangzhou	Nanjing	Ningbo
Office	↑	↑	↑	↓
Luxury Residential	↑	↑	↑	↑
Retail	↑	↑	↑	↑
Industrial	↑	↑	↑	↑

SHANGHAI

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	5-8%	0-3%	3-5%	3-5%
Vacancy Rate Trend in 6 months	➔		➡	

Shanghai Prime Office Market

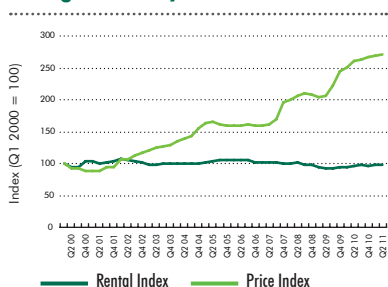


The second quarter of 2011 continued to see significant rental growth in Shanghai prime office market. The average rent increased by 5.2% to RMB 244.4 psm per month, with rents in Puxi and Pudong rising by 4.3% and 6.4% respectively.

With most of the projects delivered as expected, Shanghai prime office market received a remarkable amount of new supply in the second quarter of 2011. In total, eight projects were launched offering 539,412 sm of new office space¹. This is also the largest quarterly new supply to date in the history of Shanghai office market. Brisk take-up has been observed during the period, which was underpinned by active leasing in various industries. Pre-commitment remained popular, especially in Grade A projects, with both Two IFC and Taiping Finance Tower in Lujiazui having at least half of their space pre-leased upon their delivery. By the end of second quarter in 2011, Shanghai overall office vacancy rate was 10.1%, up by 2.1 percentage points q-o-q. Multinational companies were noticed to be the major demand drivers of second quarter's office market. Kyocera and Fujitsu respectively took one and two whole floors in Taiping Finance Building in Lujiazui, while Bausch & Lomb leased one floor in Shanghai ICC on Huaihai Road.

New supply is expected to reduce distinctly to approximately 430,000 sm in the following six months, and the majority of this is distributed in Pudong, particularly Zhuyuan area. As there are no signs at all for the current buoyancy in the leasing market to be depressed in the near future, vacancy rates in Shanghai's office market are projected to remain stable. In the meantime, rents are forecast to register a further increase of 5 to 8%, thus returning to the peak seen in the middle of 2008.

Shanghai Luxury Residential Market



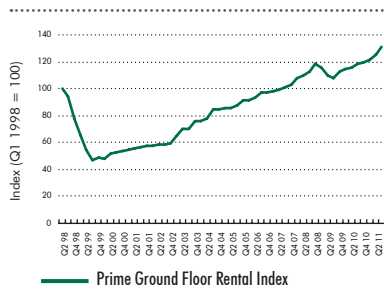
On entering May, Shanghai luxury residential market revived, reflected by growing transactions along with increasing new supplies which devoted new vitality to the sector. Average prices of luxury apartment edged up 0.9% q-o-q to RMB 57,604 psm. Luxury projects in traditional areas such as City Castle, Seasons Villas and Sun Ville all launched a new batch of units during the quarter. Meanwhile, projects such as The Bay and Tudor Villa debuted in the same period. New supply in April and May rebounded by 260% over the monthly average level of last quarter, though this only amounted to 77% of the monthly average seen in the first quarter of 2009, before the latest round of real estate control measures. Average monthly transactions in April and May also revived by 38% compared to the monthly average of last quarter.

Digestion of the tightening policies and increasing supplies were seen as the main drivers to warm up transactions. However, the growth of transaction lagged behind notably than that of new supply, which boosted inventory in tandem. In the expectation of further tightening monetary policy due to the further hike of RRR by PBOC, developers will face more challenges from increasing competition and tightening funding sources should the house purchase restrictions continue.

During the quarter under review, 300 units of the Star River apartment, which is located in Pudong area, came on stream and led a mild swell of vacancy rate of luxury apartment leasing market. The buoyant economic activities rendered support to the market on the whole and upheld rents of the sector with a slight increase of 0.2% to RMB 148.3 psm per month.

SHANGHAI

Shanghai Prime Retail Market

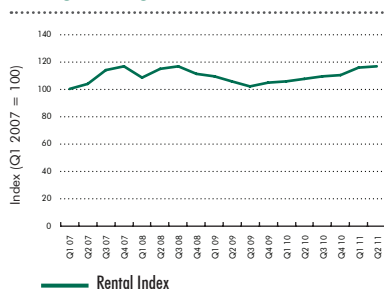


During the second quarter of 2011, Shanghai prime retail market continued to exhibit strong momentum in both rental performance and market absorption. Rental quotation for prime ground floor recorded a q-o-q growth of 4.8% to RMB 52.5 psm per day.

Within the quarter under review, a number of retailers launched new stores in the city, illustrating a full confidence in Shanghai's consumption power. H&M opened its largest store on Nanjing West Road for 3,000 sm of retail space, exclusively selling the series of Water Aid and Men Trend. Meanwhile, American Eagle Outfitters landed in Shanghai for its first China shop at the end of May, with a neighboring location to M&S and GAP on Nanjing West Road. It passes a sign that fast fashion brands are now enjoying their boom for expansion as consumers are showing great interests in the new kind of commercial form. It was also worth mentioning that IKEA, the famous home decoration products' supplier, launched its second outlet in Beicai area of Pudong with a total retail GFA for 49,400 sm, the biggest IKEA store around Asia, which won a fairly high flow of consumers on the first opening day. In addition, CP Lotus announced the launch of its first up-market food retail brand, Bazaar by Lotus at its 3,200-square-meter venue in Xiantiandi. Consequently, the overall vacancy rate dropped further by 0.2 percentage points to 5.8%.

It is expected that around 180,000 sm of new completion will come on stream in the second half of the year. However, due to the prosperity seen on current retail markets in prime areas, it will not cause much worries about impact from the new supplies.

Shanghai Logistics Market



Demand for industrial properties in Shanghai remained bullish, translating to uptrend of both capital value and rents of facilities in the second quarter of 2011. Prices of industrial land sites in major industrial parks hiked by 5.2% q-o-q to an all-time high of RMB 1,695.5 psm, while rents for industrial properties increased 1.2% on average in the same period.

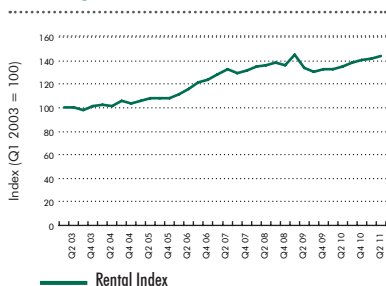
In the logistics facilities sector, the majority of demand came from online retailers such as Yihaodian and Letao Net, a signal of high momentum of domestic consumption. Soaring leasing transactions drove rents upward by 1.2% to RMB 29.4 psm per month. Meanwhile, limited land supply for logistics use coupled with robust demand from occupiers are forcing developers to build multi-storey facilities. Major 3PL logistics facilities providers, such as GLP, AMB and Goodman all have two-storey warehouse facilities broken ground. The longer construction period of these facilities indicates it will have limited impact on alleviating the lack of supply in the near term. Also in the second quarter, average rents for manufacturing facilities climbed 3.7% to RMB 26.5 psm per month. The business park sector saw more modest growth with average rents increasing by 0.6% to RMB 97.4 psm per month, with major deals recorded mostly in Zhangjiang and Caohejing.

The state council announced a series of measures to promote the development of the logistics industry in June, including preferential tax deductions for logistics companies, supporting land supply for logistics parks and other measures to nurture the growth of the logistics industry.

NANJING

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	3-5%	0-3%	0-3%	0-3%
Vacancy Rate Trend in 6 months	↓		↓	

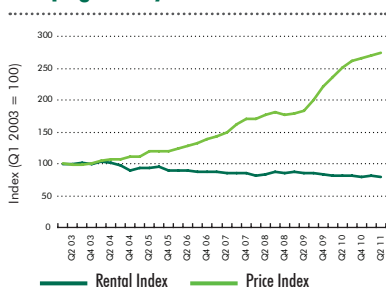
Nanjing Prime Office Market



Nanjing prime office market marched up during the second quarter of 2011. Average rental climbed by 1.2% to RMB 89 psm per month. Existing vacant spaces across the emerging Hexi CBD were still highly pursued by move-in tenants on the merit of their relatively newer facilities, gradually improving transportation links and the incentives issued by the district government. As a result, the overall vacancy rate witnessed further downswing trend by 4.2 percentage points to 18%.

Seen from the whole year of 2011, the prime office market will see a relatively limited supply for new completions. Consequently, average rental is likely to keep trending north at a mild rate and market absorption will not cause many worries in the near future.

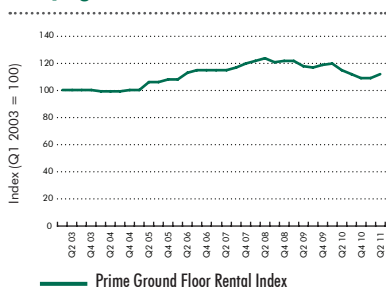
Nanjing Luxury Residential Market



Nanjing luxury residential market exhibited further decline in transaction volume under the pressure of purchasing restrictions, but prices remained stagnant. Average prices for luxury apartments increased by 1.8% q-o-q to RMB 24,433 psm in the second quarter. Currently, the majority of commercial banks in Nanjing reacted to current tightening financial status by raising down payment rates or even suspending the housing mortgage loan, which is expected to further exert pressure on transaction volume.

Nevertheless, landlords transited to the leasing market to dissolve their vacant rooms. In order to attract tenants as soon as possible, some landlords even lowered their rental quotations, which caused the rental depreciation by 1.6% to RMB 56.7 psm per month.

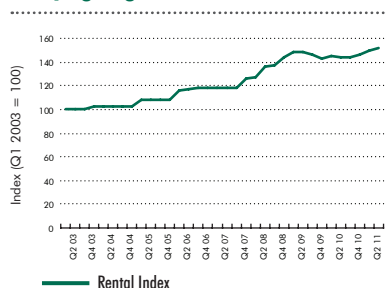
Nanjing Prime Retail Market



As no new completions were released to the market within the quarter under review, the overall vacancy rate remained at a low level of 2.7%, decreasing 0.5 percentage points compared with that of last quarter. Overseas retailers continued setting their footholds in the city. Notable launches include Victoria's Secret's two new shops in Golden Wheel International Plaza and Ocean Department Store as well as Asobio's new store in Aqua City. Regarding the F&B sector, famous Guangdong F&B operator "Four Seas International House" opened a 9,000-sm restaurant in Nanjing International Centre Shopping Mall.

In addition, rentals for prime ground floor space still witnessed upswing tendency and recorded a mild growth rate for 2% to RMB 32.1 psm per day.

Nanjing Logistics Market



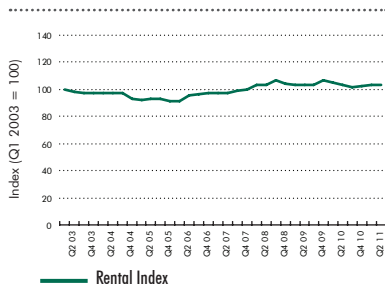
Due to the relatively lower land transaction price concluded in Nanjing Hi-Tech Development Zone, the average industrial land price for Nanjing was registered a decrease rate of 4% to RMB 343.6 psm. While average rental for logistics facilities witnessed a 1.2% growth rate to RMB 12.1 psm per month.

In the leasing sector, industrial parks in Nanjing continued to receive transactions from both domestic and overseas corporations to place their R&D centres or factories. It has been revealed that the third factory of KIA will be set up in Jiangning Economic Development Zone, and the total annual output of KIA's three factories in Jiangsu Province is estimated to reach 730,000 cars upon the completion of its Nanjing factory in 2012.

HANGZHOU

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	0-3%	0-3%	3-5%	3-5%
Vacancy Rate Trend in 6 months	↑		↓	

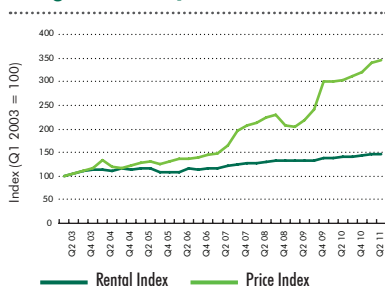
Hangzhou Prime Office Market



Demand from the financial sector and other service industries remained strong in the second quarter, while the supply side was also active during the same period. One prime office building was completed, providing 70,000 sm of new space to the market. Average rents picked up slightly by 0.4% to RMB 112.3 psm per month. The mediocre performance of rents is partly attributed to the low quotations of the new project located in Qianjiang New City. Underscored by ramped-up demand, the overall vacancy rate dropped 1.2 percentage points to 16.2%.

Approximately 341,057 sm of new space will be completed in the third quarter of 2011, mainly coming from those projects in Qianjiang New City, which should raise the vacancy rate of this business area.

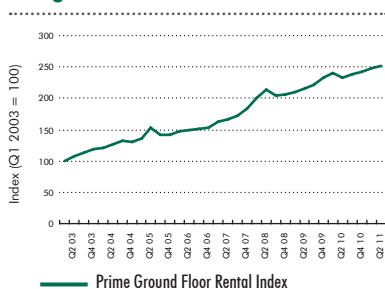
Hangzhou Luxury Residential Market



Continuous implementation of restrictions on the residential market led to sluggish transaction volume across the second quarter. On the other hand, demand for luxury housing sustained amidst full-fledged inflation, rendering support to further appreciation of prices. Prices of luxury apartments edged up 2.4% q-o-q to RMB 38,789 psm on average, while those projects in central areas registered higher growth.

The luxury residential leasing market recorded positive gains in the second quarter as well, with rents up 1.3% to RMB 79.5 psm per month.

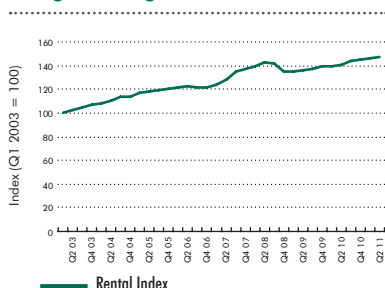
Hangzhou Prime Retail Market



In the second quarter of 2011, largely attributed to the hike of CPI, the retail market unanimously registered bullish performances in terms of retail sales. Against this backdrop, more projects turned to optimising their brand mix in order to effectively grasp the upgrading market demand. Average rental was boosted to RMB 29.1 psm per day, 1.4% higher than last quarter. The supply-demand imbalance was further aggregated due to the lack of new supply. Subsequently, the overall vacancy rate edged down 0.8%, a drop of 0.2 percentage points q-o-q.

Imbalance of the market is likely to be alleviated in light of the coming of about 160,000-sm space in the ensuing quarter, all of which is located in traditional areas.

Hangzhou Logistics Market



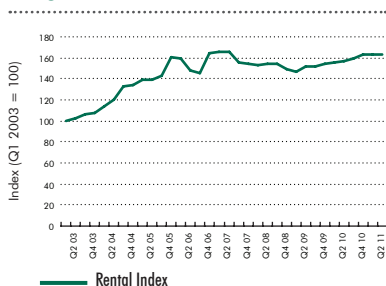
Strong demand for industrial land was supported by sound fundamentals during the first half of the year. In addition, preferential policies for encouraging establishing headquarters in Hangzhou accelerated the land acquisitions, especially in national development zones. Hence, average industrial land prices continued to increase by 2.4% q-o-q to RMB 386.3 psm. Meanwhile, rents of logistics facilities recorded a slight inflation on 0.2% over last quarter on average, reaching RMB 13 psm per month.

The Hangzhou industrial market is expected to benefit from booming private sector and tighter connection among cities in the Yangtze River Delta region in the mid-term, thus bolstering both prices and rents of related facilities.

NINGBO

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	0-3%	0-3%	0-3%	3-5%
Vacancy Rate Trend in 6 months	↑		↓	

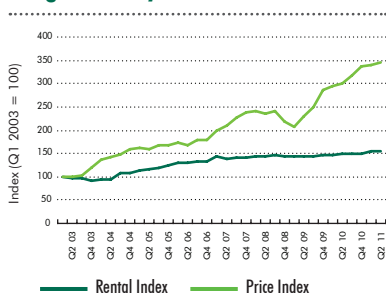
Ningbo Prime Office Market



In the second quarter of 2011, demand for prime office space saw mixed performances as manifested in robust demand from financial and logistics sectors against those from foreign trade sector and manufacturing turning sluggish, impacted by macro tightening policies. There are three projects coming to the market during the quarter with a total GFA of 130,494-sm. The market stayed largely firm, with rents averaging RMB 68.6 psm per month, a marginal drop of 0.2%, along with the hike of overall vacancy rate at a meagre 0.3 percentage points to 18.2%.

Approximately 142,853 sm of new supply is projected to enter the market next quarter, all located in emerging areas such as Yinzhou and East New City. Adequate supply for the whole year of 2011 would pose challenges to the absorption of the market.

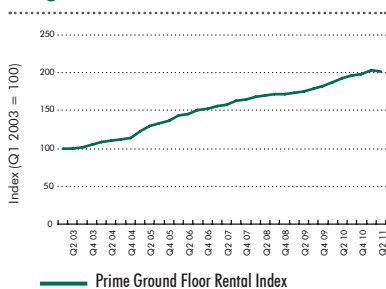
Ningbo Luxury Residential Market



Despite the continuous curbing on the market, the luxury residential sector in Ningbo maintained its upward trend, albeit with a slowdown in price appreciation on entering this year. In the second quarter, average prices of luxury apartments edged up 1.1% to RMB 21,269 psm; nevertheless, the volume was dampened significantly due to home purchase restrictions. Particularly, emerging areas such as Yinzhou recorded higher growth.

During the period under review, average rental of luxury apartments recorded a 0.6% q-o-q gain, reaching RMB 56 psm per month.

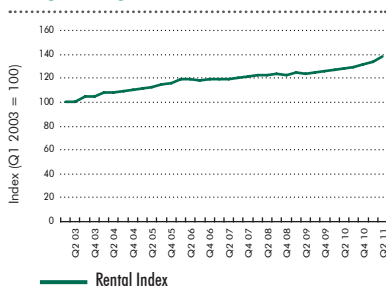
Ningbo Prime Retail Market



In the second quarter, prime retail properties in Ningbo fared well, underscored by the rapid growth of the local consumption. Recently, more international retailers, especially some luxury brands, continued to enter Ningbo to secure footholds in this thriving market. Although the market saw a vacuum of new supply this quarter, space from Wanda Plaza that came on stream in the preceding quarter still needs time to be digested and this kept rents low. The average rental for ground floor of prime retail properties saw a mild growth by 0.8% to RMB 23.9 psm per day. The overall vacancy rate stood at 1.5% as of end of June.

Looking ahead, pipeline supplies for the third quarter amounted to approximately 40,000 sm, which is not likely to pose significant pressure onto the market given low vacancy rates of the current market across Ningbo.

Ningbo Logistics Market



Foreign trade gradually lost momentum on entering the second quarter, which pulled down growth of rentals across industrial properties. Nevertheless, the average rental of logistics facilities saw a q-o-q gain of 3.2%, reaching RMB 14.6 psm per month. During the same period under review, land prices edged up 2.7% q-o-q on average to RMB 514 psm on the back of improving investment environment and limited supply.

SOUTH CHINA

During the second quarter, the coming of premium Grade A office premises with decent responses in preleasing, pushed up the rental level across southern China region. As of the end of June, rents of prime office buildings surged 8.7% and 4.4% on the quarterly basis, respectively for Guangzhou and Shenzhen, to RMB 115.4 and 145.2 psm per month. The total new supply handed over this quarter, including Guangzhou International Finance Centre, a 432-storey high benchmark building with 174,000 sm of office GFA reached record high in Guangzhou for the past four years. The overall vacancy rate of Guangzhou and Shenzhen climbed respectively to 12.4% and 9.1% by the end of the quarter in the midst of adequate supply.

Home purchase restrictions continued to dampen the southern regional residential market in the first half of 2011. However, prices of the two cities saw mixed performance. In Shenzhen, the implementation of administrative restrictions on prices of newly-authorized pre-sale schemes capped the prices and led to a slight moderation for the quarter. Meanwhile, Guangzhou registered a 5.2% q-o-q gain for the luxury residential due to the launch of the scheme with the splendid river view.

The expansion of Shenzhen metro network facilitated the residents along the metro lines and improved the accessibility of shopping centres around the metro stations. Partly boosted by this, rents of Shenzhen prime retail market further rallied. However, Guangzhou saw rents dipping slightly due to the low-price strategy of new projects coming onto the market for the third consecutive quarters.



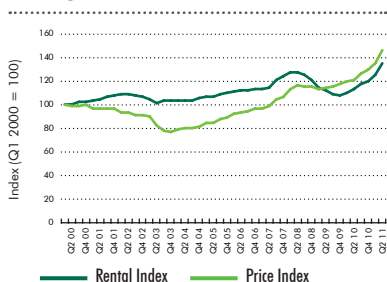
In the second quarter, demand for prime warehouse spaces in Guangzhou gradually shifted to some remote districts, like Zengcheng and Huadu amid decreasing availability around Guangzhou Development Zone and pushing up rents continuously. During the same period, Shenzhen market remained largely stable with flat rents seen for its logistics facilities.

RENTAL		
	Guangzhou	Shenzhen
Office	↑	↑
Luxury Residential	↑	↑
Retail	↓	↑
Industrial	↑	→

GUANGZHOU

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	3-5%	3-5%	-3-0%	3-5%
Vacancy Rate Trend in 6 months	↑		↑	

Guangzhou Prime Office Market

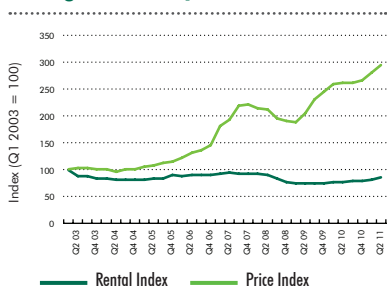


The prime office market in Guangzhou accelerated in the second quarter, as manifested in q-o-q gain of average rent expanding to 7.4%, soaring to RMB 115.4 psm per month. Particularly, Grade A office rents recorded a higher growth of 8.7% during the same period, rising to RMB 142.1 psm per month. Driven by the bullish market sentiment, the average asking price of prime office space rose substantially by 8.4% q-o-q to RMB 19,148 psm.

Three Grade A office buildings, namely Guangzhou International Finance Centre (GZ IFC), R&F Yingxin Building and G.T. Land Plaza Phase 3, were completed this quarter with total GFA of 330,500 sm. All new projects are located in Pearl River New City (PRNC), while the office space provided by GZ IFC amounts to 174,000 sm, accounting for 10% of the total stock in PRNC. This landmark building is the highest commercial premise in the city, with record high rent levels at RMB 280 psm per month, markedly pushing up the average rental level within the city.

The new buildings all recorded pre-commitment rates at or over 50% upon completion. Major transactions include Guangzhou Securities and Sun Hung Kai Properties pre-let space in GZ IFC, while the Hewlett-Packard and 39.net located in G.T. Land Plaza Phase 3. However, the overall vacancy rate of the prime office still increased 0.6 of a percentage point to 12.4% by the end of the quarter, the first vacancy rise in ten consecutive quarters. Vacancy rate in Grade A sector edged up to 17.1%, 4.9 percentage points higher than that of the previous quarter.

Guangzhou Luxury Residential Market



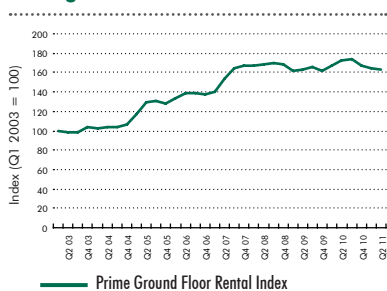
Prices of Guangzhou luxury apartment schemes were not depressed by the tightening policies in the second quarter, albeit with thin transactions recorded. Quite a few high-end schemes were nearly sold out, while new supply was in shortage in recent months. Prices were thus upheld, and some premium residential schemes with scarce natural resources launched with aggressive quotations, pushing average prices to RMB 29,596 psm, up 5.2% q-o-q.

The average rental of Guangzhou luxury apartments continued to increase upon completion of some premium schemes. The rent averaged at RMB 61 psm per month, growing 5.1% q-o-q in the quarter. The Onelink, located in Tianhe Sports Centre business area, was completed this quarter, providing around 400 units to the market. The Onelink is a portion of a complex scheme, including an office tower, two apartment towers and a retail podium. While The Onelink is for strata-titled sale, units from another tower will be served as serviced apartments operated by Frasers Hospitality. This is debut of the operator company in Guangzhou market.

The land sales market cooled down somewhat in the first half of 2011. Nevertheless, some large developers are actively seeking opportunities for consolidation in the downturn of the market. Vanke announced it has obtained a villa scheme under construction in Panyu District for a total consideration of RMB 3.1 billion. The scheme occupies a total land area of 340,000 sm with a designated GFA of 572,000 sm, around one-fifth having been already completed or under construction.

GUANGZHOU

Guangzhou Prime Retail Market

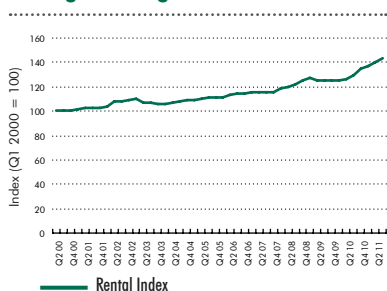


The buoyancy of the Guangzhou retail market continued to attract expansion of both domestic and overseas retailers. New projects recently launched rendered more opportunities for these brands' establishment. Against this backdrop, the market stayed largely firm with a narrowing downward average rent, registering RMB 46.9 psm per day, a meagre decline of 0.7% q-o-q.

Two prime retail properties, South Zone of Poly Central Plaza in Huanshidong Area and Guangzhou Metono Department Store in Nonglinxia Road Area, were completed in the quarter, with a total GFA of 58,000 sm. Major tenants landing in South Zone of Poly Central Plaza include Poly Film, Gome and some F&B tenants, such as Café De Carol; the over 30,000-sm North Zone will accommodate a JUSCO upon opening by year-end.

International fast fashion retailers remained active during the quarter. Uniqlo opened new branches in Pearl River New City and Jiangnanxi Area, becoming its third and fourth store in Guangzhou. Also in this quarter, ZARA opened its second store in Onelink Walk. Apart from this, the supermarket operator JUSCO accelerated its expansion, planning for three new stores located in Poly Central Plaza, Metono Department Store and Gate 5 Mall.

Guangzhou Logistics Market



In tandem with the decline of vacant space among logistics facilities in Guangzhou, the average rent of this sector marched up 2.4% q-o-q to RMB 28 psm per month. High rent levels along with less availability in the vicinity of Guangzhou (such as at Guangzhou EDZ) drove demand to spilt off into adjacent areas such as Zengcheng City and Huadu District. For instance, Moonbasa, an Internet retailer, committed 30,000 sm of warehouse space in GLP Park Xintang, Zengcheng City.

Attributed to the upgrading of manufacturing, the demand for modern manufacturing facilities, especially for single-storey factories, is increasing. On the other hand, the vacancy rate of multi-storey factories, which is deemed as incapable of meeting requirement for the high-value-added industry, still remained. The average rental nevertheless grew 5.8% q-o-q to RMB 21 psm per month, approaching levels seen before the financial crisis.

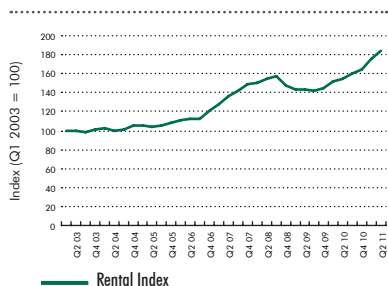
Meanwhile, rents for R&D facilities recorded a notable q-o-q growth of 4.6% on average, reaching RMB 42 psm per month. Guangzhou Science City and Tianhe Software Park received more decent responses from tenants, due to the maturity of facilities in the surrounding area. China Mobile committed 2,500-sm space in Guangzhou Science City to settle down its call centre.

Industrial land transactions were registered mainly in Luogang District and Huadu District in Guangzhou in the second quarter of this year. Four plots were publicly transacted in Huadong Town, Huadu District, with an average transaction price of RMB 480 psm. Average industrial land prices rose a slight 1.3% q-o-q to RMB 472.9 psm within this quarter.

SHENZHEN

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	5-8%	3-5%	5-8%	0-3%
Vacancy Rate Trend in 6 months	↑		↑	

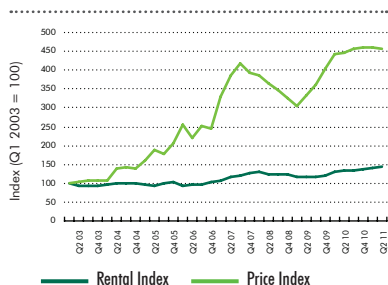
Shenzhen Prime Office Market



Shenzhen prime office market maintained its upward momentum in the second quarter of 2011. Average rentals soared by 4.4% q-o-q to RMB145.2 psm per month. One Grade A office building, NEO Tower A, was completed, providing 95,500 sm to the market. Upon completion, the scheme recorded an occupancy rate of 40%, including NDS Group and China Mercantile Bank committing two whole floors each. Nevertheless, the overall vacancy rate mounted to 9.1%, slightly up 0.4 percentage points.

Approximately 200,000 sm of prime office space will be put onto the market in the second half of the year, including the landmark building – Kingkey 100 in Luohu and Kerry Plaza Ph 2 in Futian CBD. Therefore the vacancy rate is expected to see a hike.

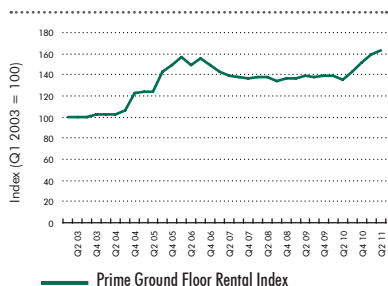
Shenzhen Luxury Residential Market



There were initial signs of price correction for Shenzhen in the luxury residential market, which recorded an average price of RMB 39,385 psm in the second quarter, down 0.9% q-o-q. The municipal government adopted new measurements to restrict prices for new residential schemes in the quarter. Park Mansion, recently launched for pre-sale in Shekou and was capped at RMB 35,000 psm, lower than other schemes sold in the adjacent area.

During the quarter, the luxury leasing sector was boosted by the improvement of infrastructure such as the completion of the second phase of Shenzhen Metro. Supported by increasing leasing activities, average rental rose by 1.1% q-o-q to RMB 73.3 psm per month.

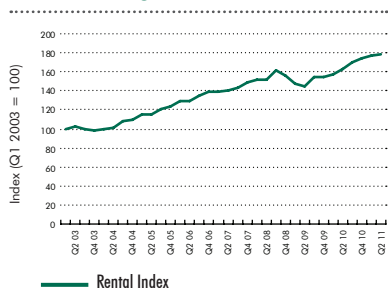
Shenzhen Prime Retail Market



During the quarter, Shenzhen prime retail market remained robust with 2.6% q-o-q gain registered for average rental of ground floor, which reached RMB 27.4 psm per day. Meanwhile, overall vacancy rate dipped by 0.4 percentage points to 8.5%, largely due to the vacuum of new supply. The completion of new phase of metro is seen as a catalyst for the retail facilities along the metro line with easy accessibility. Subsequently, several department stores announced the opening of new stores in Baoan District and Longgang District, which should help future upgrading of these areas.

Looking ahead, All City, the retail podium of Baoneng Taigucheng, kicked off pre-leasing activities in the second quarter. Furthermore, OCT Bay, a tourism theme retail destination, is scheduled to open in August.

Shenzhen Logistics Market



Demand for logistics facilities stabilised in the second quarter of 2011, reflected by flattish rents which stayed at RMB 27.8 psm per month on average. The R&D facilities market turned more active. For example, one US-based hi-tech company leased 6,000 sm of R&D space in the north zone of Hi-tech Park in Nanshan.

Seven industrial sites were transacted in the open market, dispersed in Nanshan Hi-tech Park, Guangming New Zone and Pingshan New Zone. The averaged industrial land price rose 1% to RMB 870 psm.

CENTRAL & WEST CHINA

The West and Central China market continued to be upbeat concerning office, retail and logistics sectors, while the residential sector started to move in different directions in the four cities in the region. Both office rents and prices were on the rise unanimously in all the four cities as demand from the service sector continued to move inland to second-tier cities. Price growth was upheld by private buyers and corporate buyers for the purpose of resisting inflation. This is represented by the dramatic price hikes in Chongqing. However, the absorption of such strata-titled space remains uncertain and even risky in the future considering the massive amount of supply in the next couple of years basically across all the four cities. There was no new supply of prime retail properties during the quarter so rents maintained reasonable growth rates with vacancy rates in decline. The market prospect and the quality of new development were somewhat justified by a fund's acquisition of partial equity in the Galleria in Chengdu this quarter, which is one of the latest mall developments that opened in the end of 2010. The logistics facility market was robust as propelled by strong demand from retail and manufacturing sectors. All four cities recorded positive rental growth.

The luxury residential market, however, started to behave in a different manner. While Chongqing and Xi'an continued to register noticeable price growth despite unstable transaction volume, the cool down in Chengdu and Wuhan has become more conspicuous. The price growth in Wuhan has slowed down significantly with falling transaction volume. In Chengdu, price growth has become negative for the first time since 2008 — a result



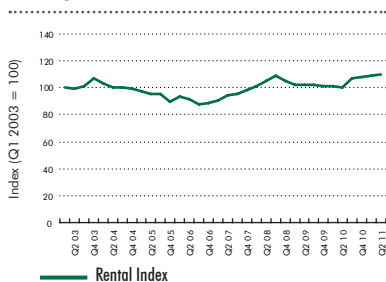
of a few projects with large unit sizes in supply-concentrated areas slashing their prices up to 20% q-o-q. But this also led to increased transaction volume at some projects. So it has yet to see whether the slow-down in the luxury segment in some cities would dampen the whole residential market in the region.

RENTAL				
	Chengdu	Chongqing	Wuhan	Xi'an
Office	↑	↑	↑	↑
Luxury Residential	↑	↑	↑	↑
Retail	→	↓	↑	↑
Industrial	↑	↑	↑	↑

CHENGDU

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	0-3%	0-3%	0-3%	0-3%
Vacancy Rate Trend in 6 months	↑		↓	

Chengdu Prime Office Market

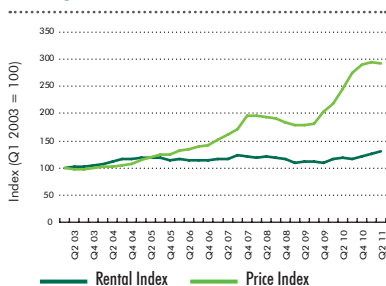


Following a strong start at the beginning of the year, the prime office market remained brisk in the second quarter. Despite the fact that a total of six new buildings — consisting of 181,000 sm of new supply — came on line, absorption stayed at high levels, with both local and international companies upbeat about their market expansion in Chengdu. Therefore, the overall vacancy rate was basically stable, rising a mild 0.2 percentage points q-o-q to 26%. Premium and Grade A buildings are the major relocation destinations that are capable of accommodating the growing demand and flight to quality. Average rent increased 1.3% q-o-q to RMB 97.9 psm per month, which was primarily propped up by the gradual rent hike at existing buildings, many of which have reached reasonable occupancy levels.

The strata sales market was stable despite the fact that the record price growth in the first quarter was slowing down. The stabilisation of price growth was largely the result of an influx of Grade B buildings into the market in Tianfu New City.

Although 2011 was forecast to be a year with dramatic supply growth, absorption also seems to have grown dramatically, especially driven by the demand from domestic companies and the financial sector. As a result, there is no evident downward pressure on rentals from the supply side yet as of the end of the second quarter. However, it is still believed that the market might face such pressure in the future, as supply continues to grow with the majority of them for strata sale.

Chengdu Luxury Residential Market



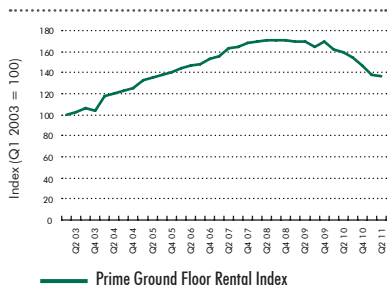
The luxury residential market slipped into a slow-down this quarter due to the impact of macro control measures such as the restrictions on house purchases. Luxury residential supply dropped, and some developers chose to postpone their projects' launch. The transaction volume witnessed a steep drop from last quarter. As a result, the average price dropped 1.2% q-o-q to RMB 13,543 psm.

Due to the fact that the supply has been at high levels with the offering of large unit sizes at large total sums in Gaoxin District, some projects in the area started to slash their sale prices by up to 20%. Even though the whole residential market presented dampened sentiment, sales at some projects located along the South Renmin Road were still intact. Therefore, the traditional downtown area is generally faring better thanks to the limited supply, mature location and convenient transport. It is envisaged that a couple more luxury apartment projects will come into the market in the third quarter this year in the Shuangnan area and the East 2nd Ring area.

Influenced by the intensified inflation situation and the rising cost in residential investment, average rentals grew 3.9% q-o-q to RMB 38.9 psm per month.

CHENGDU

Chengdu Prime Retail Market

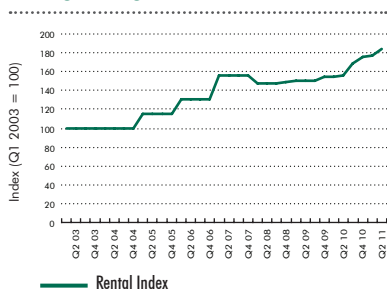


The prime retail market was stable in the second quarter as rents and vacancy rates stayed at reasonable levels. Average ground floor rental dropped a slight 1.6% q-o-q to RMB 28.5 psm per day, and the overall vacancy rate dropped a 0.5 percentage points q-o-q to 13.1%.

During the quarter, MGPA bought a 50% stake in the Galleria, which is a representative of the new generation of mall developments in Chengdu. This is probably the second such retail property transaction in Chengdu after a fund bought the Renhe Chuntian Zongbei Store in 2007 and would justify to some extent the market prospect and the quality of recent new developments.

As the majority of new supply will open in the fourth quarter, it is likely that the retail market will continue to remain steady through the second half of the year. Landlords continued to pursue retailer resources as represented by the fact 9 Square Shopping Centre and Rainbow Department Store have both announced to open in Chengdu. The Far Eastern Department Store at Tianfu Square will start a soft opening at the end of June, while the Pacific Department Store will pull out from the Chunxi Annex. Shin Kong Mitsukoshi's store in Wenjiang District broke ground in June and is going to be the largest stand-alone department store in China when it opens in 2013 — with a retail GFA of 220,000 sm. Uniqlo opened its sixth store in Chengdu at the Uno, with a retail GFA of approximately 2,000 sm.

Chengdu Logistics Market



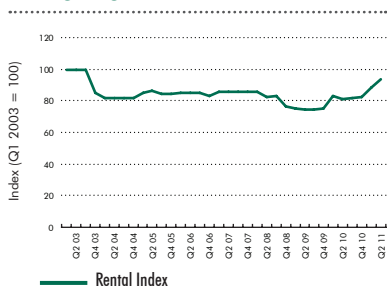
The logistics property market continued on the upswing in that the average logistics facility rental rose 4.1% q-o-q to RMB 21.3 psm per month. The relationship between supply and demand remained the same as in the first quarter, hence driving quotations at some projects to move up further. While the imbalance has yet to be resolved, demand from retail and other service sectors continue to move to Chengdu — some major e-commerce businesses have started building their own warehouse projects in order to accommodate the voracious growth of the industry.

Despite a new wave of supply being handed over at the end of the year or in early 2012, the situation is not expected to improve dramatically. The majority of future supply has either been preleased or will have been built to suit. For this reason, it is envisaged that the market outlook in the next couple of years will still favour developers and landlords. During the quarter, Philips announced the opening of its second regional headquarters in Chengdu's Hi-Tech Development Zone, which will integrate a variety of its business functions.

CHONGQING

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	5-8%	0-3%	0-3%	3-5%
Vacancy Rate Trend in 6 months	↑		↓	

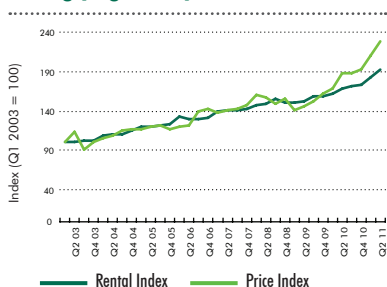
Chongqing Prime Office Market



A total of three projects were put onto the market in the second quarter, aggregating new space to 104,136 sm. However, private landlords universally elevated rental quotations supported by a recoup in confidence, leading to further hike of rents by 6.2% over the last quarter, to RMB 71.7 psm per month. During the quarter, new take-up was attributable more to the service and manufacturing industries. The overall vacancy rate was nevertheless registered at 33.2%, up 9.1 percentage points, mainly attributable to strata-title owners' reluctance to cut prices and the location of new supply.

Over 400,000-sm of space will come on stream during the rest of the year. As most of the supply was strata sold, the vacancy rate is estimated to be pushed up a new high.

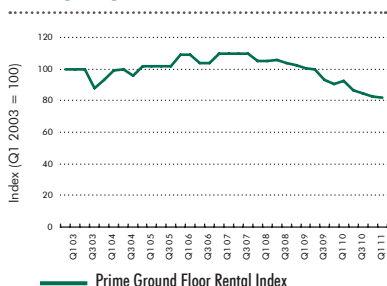
Chongqing Luxury Residential Market



Despite the catalyst from staging the Housing Exhibition in April, the residential market remained sluggish while price held firm. Developers postponed launches of new phase of projects amid wait-and-see market sentiment. However, the average price of luxury residential apartments hit a new high at RMB 12,609 psm, soaring by 8.5% q-o-q. It is noteworthy some projects even asked for historically high prices.

Several new projects came onto the luxury leasing market in this quarter. New projects universally registered favourable response, largely due to their prime location in the traditional business area of Jiefangbei, Guanyinqiao and Nanping. Partly driven by high quotations of new schemes, the average rental grew 5.5% q-o-q to RMB 30.9 psm per month.

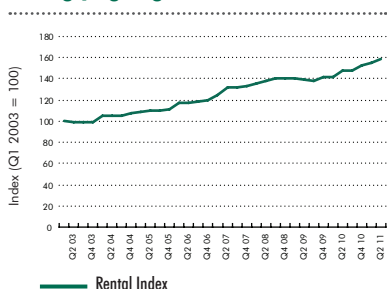
Chongqing Prime Retail Market



The prime retail property market showed more improvement in the second quarter with narrowing decline of rents, which came off by 0.3% q-o-q to RMB 22.3 psm per day. Although no new projects were launched in this quarter, the market is gradually absorbing glutted supply launched in earlier periods. The overall vacancy rate is thereby dragged down by 1.8 percentage points to 10.8%.

Looking forward, the market will see around 260,000 sm of new space realised in the rest of 2011, which should pose challenges for absorption. On the other hand, in line with the upgrading of existing projects which will be re-positioned to upper class, rents are likely to be upheld.

Chongqing Logistics Market



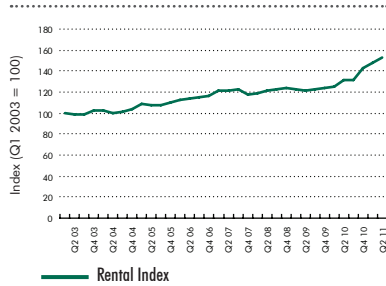
Chongqing industrial property market rallied in the second quarter, underpinned by robust demand both for manufacturing and logistics facilities. However, existing properties cannot meet the requirement of modern logistics operation or manufacturing, and thus BTS mode started being favoured. Monthly rents of logistics facilities climbed up by 2.7% to RMB 15.2 psm.

Amid continuous migration of tenants from hi-tech manufactures and IT form coastal regions, rents are projected to see future hikes underpinned by robust demand. Meanwhile, prices of industrial land will remain stable as long as there is ample space available across traditional industrial parks around Chongqing.

WUHAN

	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	0-3%	0-3%	0-3%	0-3%
Vacancy Rate Trend in 6 months	↓		↑	

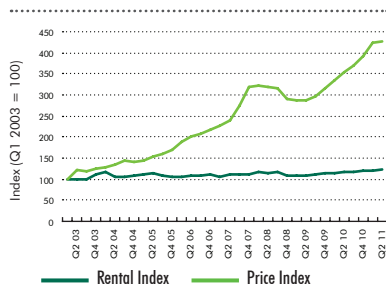
Wuhan Prime Office Market



Average rental in the prime office market was recorded at RMB 61.8 psm per month in the second quarter, a notable increase of 3.4%, mainly attributable to robust demand. Overall vacancy rate decreased by 3 percentage points over last quarter to 9.2% as a result of lack of supply and robust net-absorption.

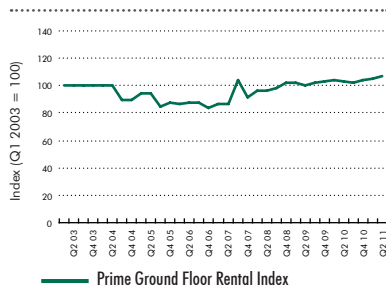
There is around 143,000 sm of new space in the pipeline by the end of 2011, including "Wuhan Tiandi-Corporate Centre 5", aggregating to the total amount for the whole year as same as seen in 2010. Overall vacancy rate is projected to stay largely flat for 2011.

Wuhan Luxury Residential Market



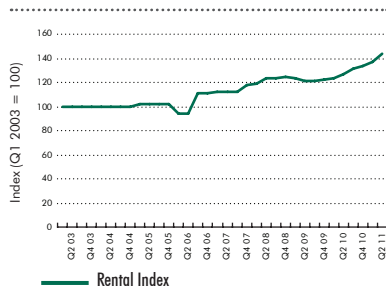
The impact of the restriction on home purchases gradually filtered through to the luxury residential sector, as manifested in a mediocre performance registered in the second quarter. The average price for luxury apartment remained largely stable, inching up 0.5% over last quarter to RMB 13,689 psm. Meanwhile, the luxury apartment leasing market stayed buoyant, with the average rental reaching RMB 31.7 psm per month, increasing by 1.9% q-o-q.

Wuhan Prime Retail Market



During the second quarter, there was no new project coming on stream. As a result, the overall vacancy rate of the prime retail market dropped 1.7 percentage points to 3.2%, suggesting sustained demand remaining in the market. Average rental for ground floor space is concomitantly boosted by 1.9% q-o-q to RMB 21.9 psm per day. Within the period under review, The first branch of H&M in Wuhan announced its soft opening in Wanda Plaza (Lingjiaohu), with a total GFA of 1,800 sm. Attracted by mounting consumption power, the presence of more international brands is expected to fuel the local market in the mid- to long-term.

Wuhan Logistics Market

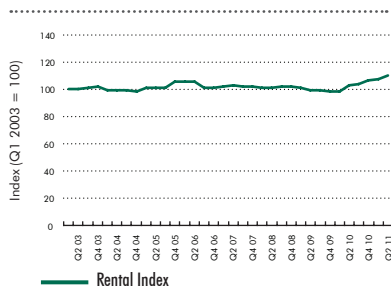


The Wuhan logistics facility market maintained its upbeat momentum during the second quarter, driven by continuous supply-demand imbalance. Average rental was recorded at RMB 18.7 psm per month, a q-o-q increase of 4.7%. During the same period, transactions of industrial land turned somewhat lacklustre, especially in Jiangxia and Caidian District. Average price of Wuhan industrial land was recorded at RMB 516.1 psm, coming off slightly by 0.4% over last quarter.

XI'AN

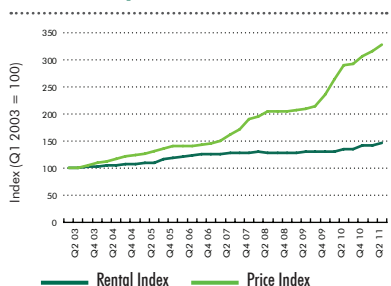
	Office	Luxury Residential	Retail	Industrial
Rental Growth in 6 months	3-5%	3-5%	0-3%	0-3%
Vacancy Rate Trend in 6 months	↓		↓	

Xi'an Prime Office Market



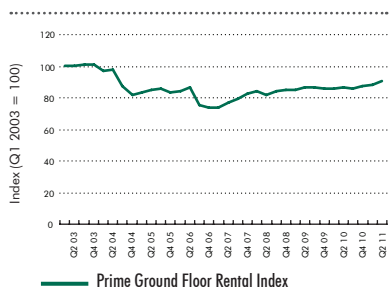
Xi'an prime office market continued its upward cycle, with rents registering a q-o-q gain for the sixth consecutive quarter. Average rent edged up by 2.3% over last quarter to RMB 73.7 psm per month against the overall vacancy rate dropping 3.3 percentage points to 7.1% at the end of the quarter. There are more signs that individual investors started keeping eyes on the strata-title office market amid aggregating risks in the residential sales sector, upholding prices in tandem. Looking ahead, the lack of high-standard office premises and growing market demand will continue driving up rents and dragging down vacancy rates.

Xi'an Luxury Residential Market



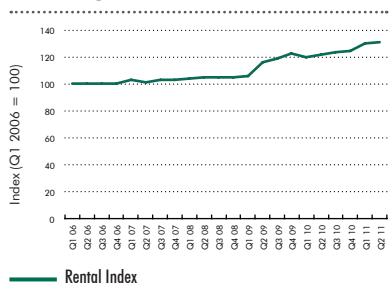
On entering May, market transaction volume rebounded significantly, supporting to the resilience of residential prices. In the second quarter, average price of luxury apartments climbed to RMB 10,020 psm, up 4.1% q-o-q. On the leasing sector, landlords raised rental quotations amid full-fledged inflation, which drove the average rent up by 2.7% q-o-q to RMB 29.8 psm per month. Meanwhile, luxury projects started to emerge in some new areas such as Chanba and Daminggong areas.

Xi'an Prime Retail Market



In the second quarter of 2011, ground floor rents in Xi'an prime retail market reached RMB 23.6 psm per day with a q-o-q growth rate of 3.3%. Vacancy rates stayed largely stable, with a historical low of 1.4% registered as of end of June. Substantial population size and dynamic population growth, coupled with the city's steady income growth, are underscoring solid development of Xi'an's retail market. In the second half of 2011, the Belltower and Xiaozhai areas will benefit more from the operation of the metro line, which would translate to better performance of retail facilities.

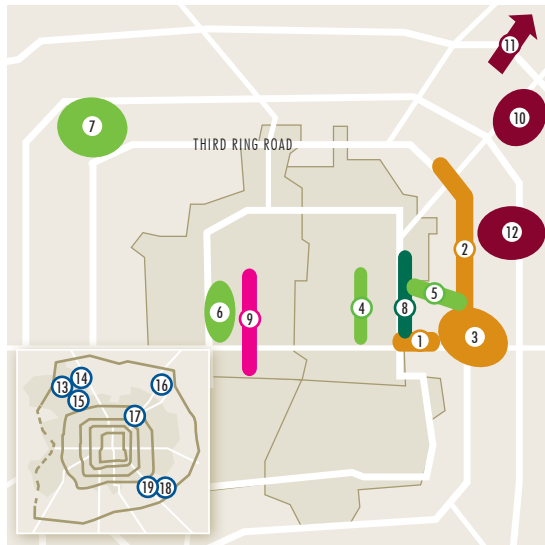
Xi'an Logistics Market



Supported by massive fixed-asset investment in EDZ in recent years, the industrial facilities in Xi'an continued to rally in the second quarter. Average rental for logistics facilities reached RMB 19.1 psm per month, a q-o-q growth of 1.1%. The local government is focusing more on attracting hi-tech and modern service enterprises landing in Xi'an, therefore rendering slight growth for industrial land prices as of the end of the first half in 2011.

NORTH CHINA

BEIJING MAJOR MICROMARKETS



Major Office, Luxury Residential and Retail Areas

- 1. Jianguomen Area
- 2. East Third Ring Road Area
- 3. CBD

Major Luxury Residential Areas

- 10. Jiuxianqiao Area
- 11. Wenyu River, Shunyi District
- 12. Chaoyang Park Area

Major Office and Retail Areas

- 4. Wangfujing Area
- 5. Chaoyangmenwai
- 6. Finance Street
- 7. Zhongguancun Area

Major Industrial Areas

- 13. Yongfeng High-tech Industrial Base / ZGC Environmental Protection Park
- 14. ZGC Life Science Park
- 15. ZGC Software Park / Shangdi Information Industrial Base
- 16. Beijing Airport Logistics Park / Tianzhu EPZ
- 17. Beijing Electronics Zone
- 18. Beijing Tongzhou Logistics Park
- 19. Beijing ETDA

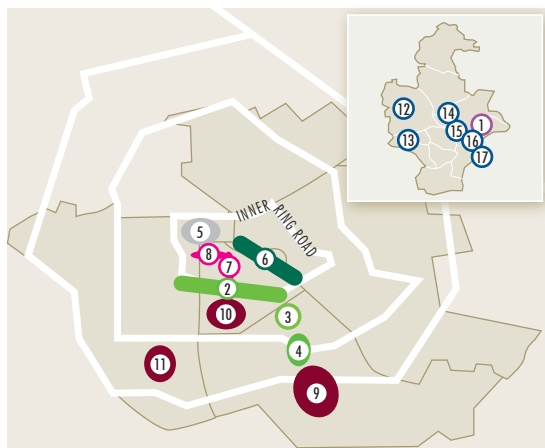
Major Office Areas

- 8. East Second Ring Road Area

Major Retail Areas

- 9. Xidan

TIANJIN MAJOR MICROMARKETS



Major Office, Luxury Residential, Retail Areas and Industrial Areas

- 1. TEDA

Major Retail Areas

- 7. Binjiang Road
- 8. Heping Road

Major Office and Retail Areas

- 2. Nanjing Road
- 3. Xiaobailou
- 4. Youyi Road

Major Luxury Residential Areas

- 9. Meijiang Area
- 10. City Centre
- 11. Olympic Arena Area

Major Retail and Luxury Residential Areas

- 5. Old Downtown Area

Major Industrial Areas

- 12. Tianjin Wu Qing EDZ
- 13. Tianjin Binhai HIDZ
- 14. Tianjin Airport Industrial Zone
- 15. Tianjin Binhai HIDZ
- 16. Tanggu National Marine HIDZ
- 17. Tianjin Port FTZ

Major Office Areas

- 6. Haihe Riverfront

DALIAN MAJOR MICROMARKETS



Major Office, Luxury Residential and Retail Areas

- 1. Renmin Road
- 2. Qingniwa

Major Luxury Residential and Office Areas

- 7. Xinghai Bay

Major Office and Retail Areas

- 3. Xian Road

Major Industrial Areas

- 8. Dalian HIDZ
- 9. Dalian Development Area
- 10. Dalian FTZ

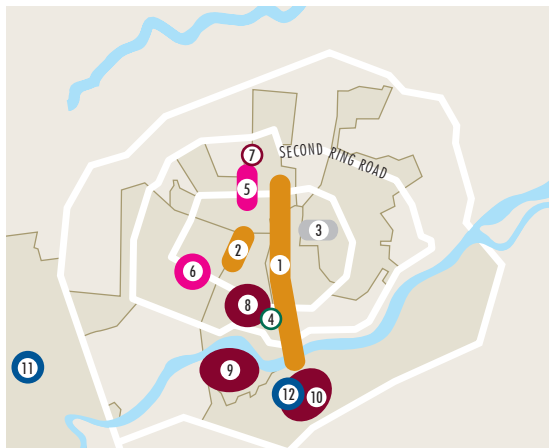
Major Office Areas

- 4. Zhongshan Road
- 5. Sanba Square
- 6. Xinkai Road

Abbreviations:
EPZ = Export Processing Zone
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SHENYANG MAJOR MICROMARKETS



- Major Office, Luxury Residential and Retail Areas**
 - 1. Golden Corridor
 - 2. Taiyuan Street
- Major Retail Areas**
 - 5. Beihang
 - 6. Tiexi Square
- Major Luxury Residential and Retail Areas**
 - 3. Zhongjie Street
- Major Luxury Residential Areas**
 - 7. Beiling & Beihang areas
 - 8. Nanhu
 - 9. Changbai Island
 - 10. Hunnan's core district
- Major Office Areas**
 - 4. Sanhao Street
- Major Industrial Areas**
 - 11. Shenyang EDA
 - 12. Hunnan HIDZ

QINGDAO MAJOR MICROMARKETS



- Major Office, Luxury Residential and Retail Areas**
 - 1. Hongkong Middle Road
 - 2. Haier Road
 - 3. West Coast Business District
- Major Office and Retail Areas**
 - 4. Zhongshan Road Belt
 - 5. Shandong Road Belt
- Major Retail Areas**
 - 6. Taidong Area
- Major Luxury Residential Areas**
 - 7. Badaguan
 - 8. Maidao & Shilaoren
 - 9. Sijiang Yiwan
- Major Industrial Areas**
 - 10. Laixi EDZ
 - 11. Qingdao Huanhai New Materials Industrial Zone
 - 12. Jiaozhou Bay International Logistics Park
 - 13. Jiaozhou EDZ
 - 14. Liuting Airport Industrial Zone
 - 15. Jimo EDZ
 - 16. Adjoining Port Industrial Processing Zone
 - 17. Jiaonan EDZ

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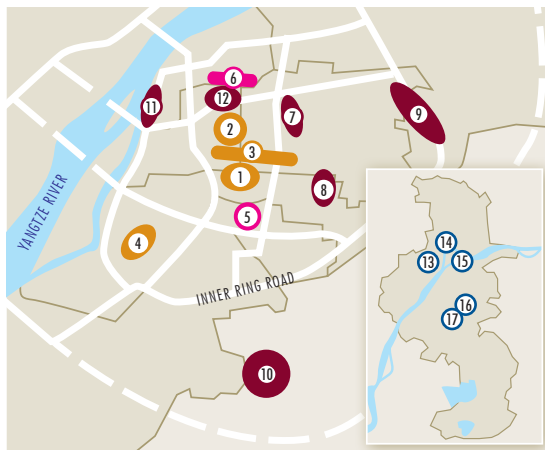
EAST CHINA

SHANGHAI MAJOR MICROMARKETS



- Major Office, Luxury Residential and Retail Areas**
 1. Nanjing Road West
 2. Central Huaihai Road
 3. Xujiahui
- Major Office and Retail Areas**
 4. Hongqiao
- Major Office Areas**
 5. People's Square
 6. Lujiazui
- Major Retail Areas**
 7. The Bund
 8. Nanjing Road East
 9. Sichuan Road North
- Major Luxury Residential Areas**
 10. Gubei
 11. Huashan Road
 12. Fuxing Road/Jianguo Road
 13. Pudong Riverside
- Major Industrial Areas**
 14. Caohejing High-tech Park
 15. Waigaoqiao FTZ
 16. Jinqiao EPZ
 17. Zhangjiang High-tech Park

NANJING MAJOR MICROMARKETS

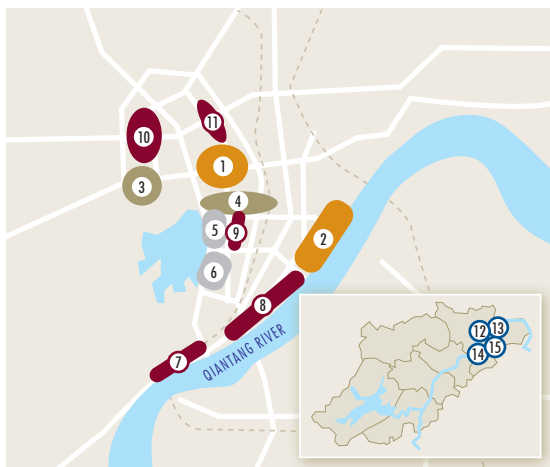


- Major Office, Luxury Residential and Retail Areas**
 1. Xinjiekou
 2. Shanxi Road - Gulou
 3. Guangzhou Road - Zhujiang Road
 4. Hexi New Town
- Major Retail Areas**
 5. Confucius Temple
 6. Zhongyongmen
- Major Luxury Residential Areas**
 7. Taipingmen - Xuanwu Lakeside
 8. Crescent Lake
 9. East of Purple Mountain
 10. Jiangning
 11. Riverside
 12. North of Gulou
- Major Industrial Areas**
 13. Nanjing HIDZ
 14. Nanjing Chemical Industrial Park
 15. Nanjing ETdz
 16. Jiangning Science Park
 17. Jiangning EDZ

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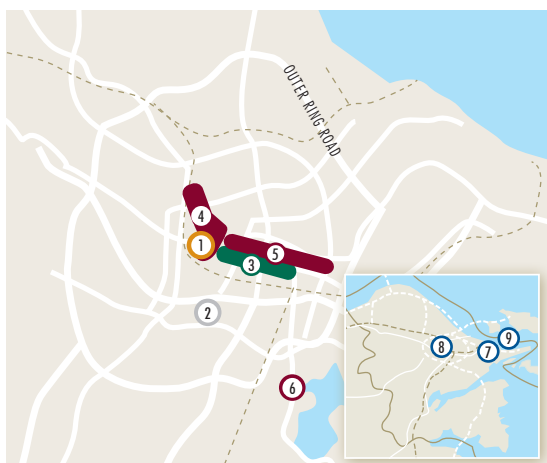
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HANGZHOU MAJOR MICROMARKETS



- Major Office, Luxury Residential and Retail Areas**
 - 1. Wulin
 - 2. Qianjiang New City
- Major Office and Luxury Residential Areas**
 - 3. Huanglong
 - 4. Qingchun Fengqi
- Major Retail and Luxury Residential Areas**
 - 5. Hubin
 - 6. Wushan
- Major Luxury Residential Areas**
 - 7. Zhijiang
 - 8. Qiantang Riverside
 - 9. Jianguo Road
 - 10. Wenjiao District
 - 11. Hushu Road South
- Major Industrial Areas**
 - 12. Hangzhou ETZ
 - 13. Hangzhou EPZ
 - 14. Hangzhou HIDZ
 - 15. Xiaoshan EDZ

NINGBO MAJOR MICROMARKETS



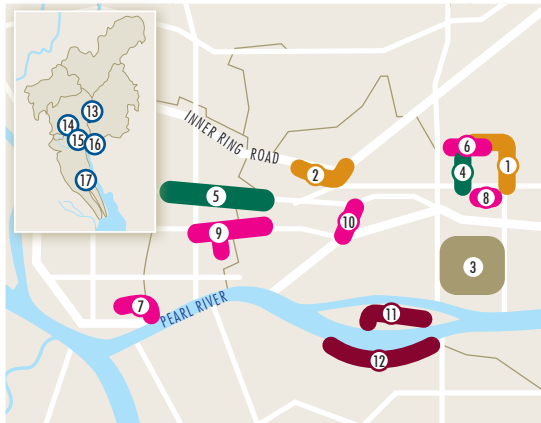
- Major Office, Luxury Residential and Retail Areas**
 - 1. Tianyi Square
- Major Retail and Luxury Residential Areas**
 - 2. Wanda Plaza
- Major Office Areas**
 - 3. Baizhang Road East
- Major Luxury Residential Areas**
 - 4. Riverside
 - 5. Zhongshan Road West
 - 6. Dongqian Lake
- Major Industrial Areas**
 - 7. Ningbo ETZ
 - 8. Ningbo National HIDZ
 - 9. Ningbo Daxie Development Zone

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SOUTH CHINA

GUANGZHOU MAJOR MICROMARKETS



Major Office, Luxury Residential and Retail Areas

1. Tianhe Road North and Tiyu Road East
2. Huanshi Road

Major Office and Luxury Residential Areas

3. Pearl River New City

Major Office Areas

4. Tiyu Road West
5. Dongfeng Road

Major Retail Areas

6. Tianhe Road North
7. Shangxiajiu
8. Tianhe Road
9. Beijing Road/Zhongshan Road
10. Nonglinxia Road

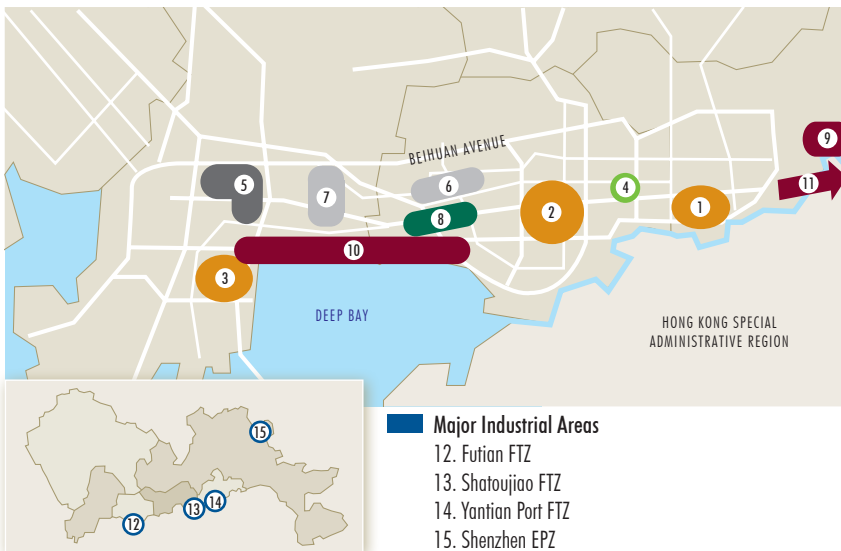
Major Luxury Residential Areas

11. Ersha Island
12. Binjiang Road East

Major Industrial Areas

13. Guangzhou Science City
14. Tianhe Software Park
15. Guangzhou ETDD West Zone
16. Guangzhou ETDD East Zone
17. Nansha Development Zone

SHENZHEN MAJOR MICROMARKETS



Major Office, Luxury Residential and Retail Areas

1. Luohu CBD
2. Futian CBD
3. Houhai (Nanshan CBD)

Major Office and Retail Areas

4. Huaqiangbei

Major Office and Industrial Areas

5. Nanshan High-tech Industrial Park

Major Retail and Luxury Residential Areas

6. Honey Lake
7. Overseas Chinese Town (OCT)

Major Office Areas

8. Chegongmiao

Major Luxury Residential Areas

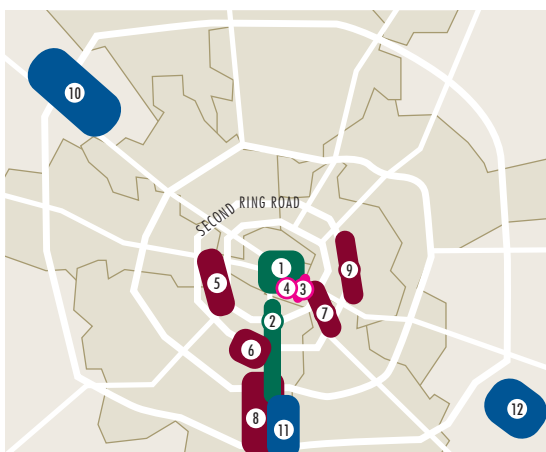
9. Liantang
10. Mangrove Area
11. Dameisha

Major Industrial Areas

12. Futian FTZ
13. Shatoujiao FTZ
14. Yantian Port FTZ
15. Shenzhen EPZ

CENTRAL & WEST CHINA

CHENGDU MAJOR MICROMARKETS



Major Office Areas

1. CBD
2. South Renmin Road

Major Retail Areas

3. Chunxi Road
4. Yanshikou

Major Luxury Residential Areas

5. Qingshuihe-Shuangnan
6. Zijing
7. Dongdajie-Wangjiang
8. South New City
9. Jianshe Road

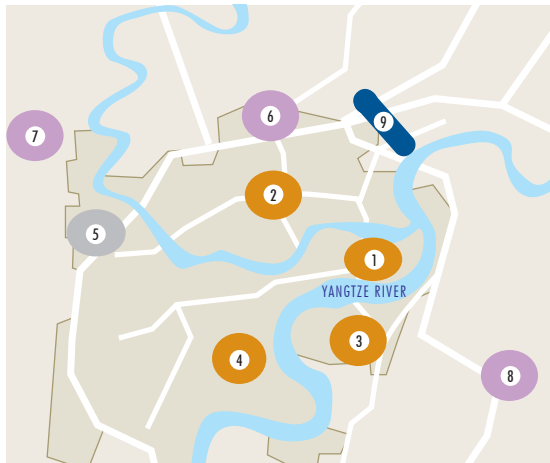
Major Industrial Areas

10. Chengdu HIDZ (West Park)
11. Chengdu HIDZ (South Park)
12. Chengdu ETDD

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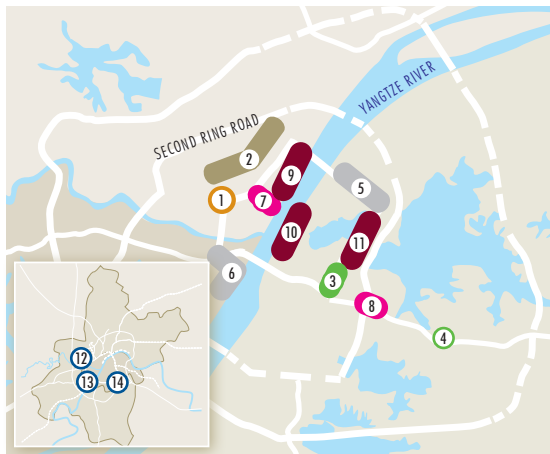
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CHONGQING MAJOR MICROMARKETS



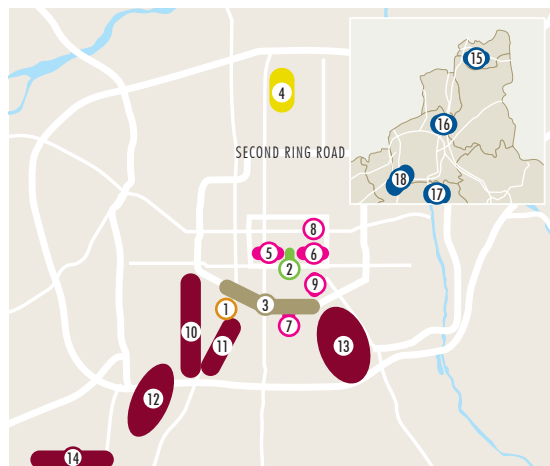
- Major Office, Luxury Residential and Retail Areas**
 1. Jiefangbei
 2. Guanyinqiao
 3. Nanping
 4. Yanjiaping
- Major Luxury Residential and Retail Areas**
 5. Sanxia Square
- Major Luxury Residential and Industrial Areas**
 6. Beibu New Area
 7. Xiyong
 8. Chayuan
- Major Industrial Areas**
 9. Chongqing Bonded Zone

WUHAN MAJOR MICROMARKETS



- Major Office, Luxury Residential and Retail Areas**
 1. Hangkong Road
- Major Office and Luxury Apartment Areas**
 2. Jianshe Avenue
- Major Office and Retail Areas**
 3. Zhongnan Road
 4. China Optical Valley
- Major Retail and Luxury Apartment Areas**
 5. Xudong Avenue
 6. Zhongjiacun
- Major Retail Areas**
 7. Jiangnan Road
 8. Jiedaokou
- Major Luxury Apartment Areas**
 9. Yanjiang Avenue
 10. Jiyuqiao
 11. East Lake & Sha Lake
- Major Industrial Areas**
 12. Wuhan Wujiahan Taishang Investment Zone
 13. Wuhan ETZ
 14. Wuhan East Lake HIDZ

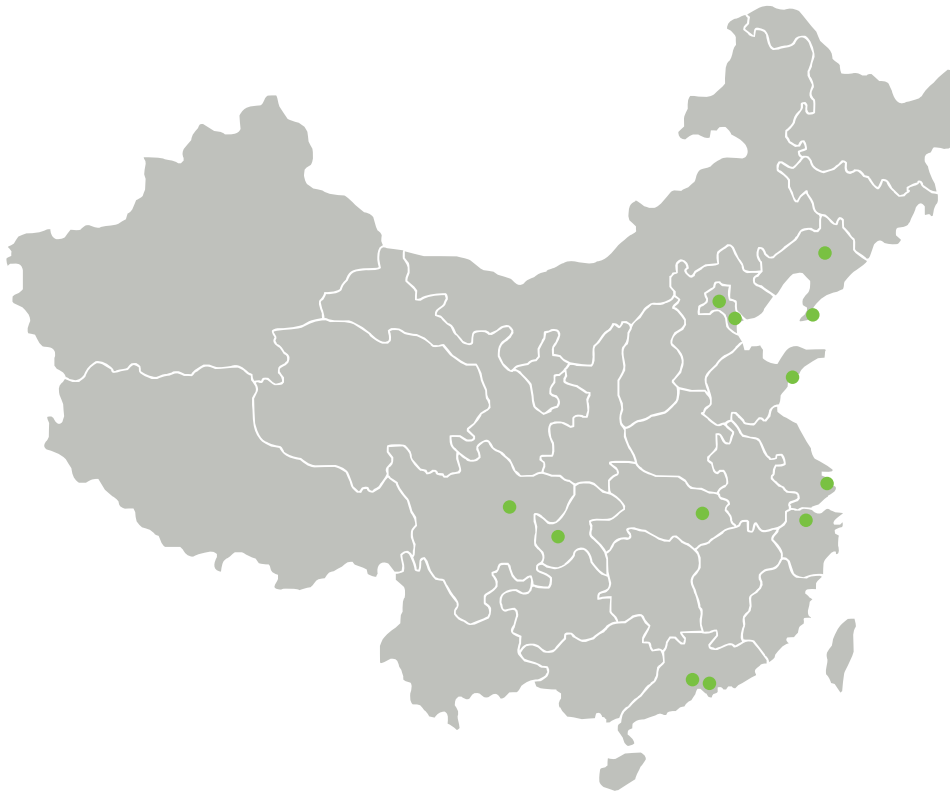
XIAN MAJOR MICROMARKETS



- Major Office, Luxury Residential and Retail Areas**
 1. Keji Road, Xian HIDZ
- Major Office and Retail Areas**
 2. The South Street
- Major Office and Luxury Residential Areas**
 3. Second Ring Road South
- Major Office, Luxury Residential and Industrial Areas**
 4. Xian ETZ
- Major Retail Areas**
 5. The West Street
 6. The East Street
 7. Chang'an Middle Road, Xiaozhai areas
 8. Jiefang Road, Minleyuan
 9. Yanta Middle Road, Lijiacun areas
- Major Luxury Residential Areas**
 10. Tangyan Road, Xian HIDZ
 11. Taibai Road South, Xian HIDZ
 12. Jinye Road, Xian HIDZ
 13. Qujiang New District
 14. The North Foot of Qinling Mountain
- Major Industrial Areas**
 15. Xian Yanliang National Aviation High-tech Industrial Base
 16. Xian International Logistics Park
 17. Xian National Civil Aerospace Industrial Base
 18. Xian HIDZ

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