Ningdong Plots 1 to 5

Huai Shu Road, Jiangbei District

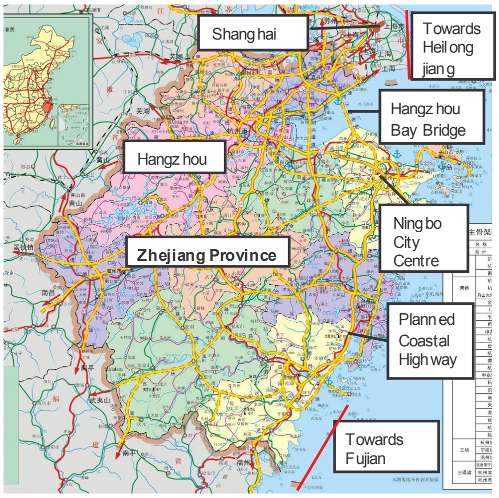
Ningbo City Centre

Ningbo's Salient Favourable Factors

- Coastal port city of Zhejiang province, and is expected to be the **leading international port city of China**
- **1.5 hours' drive away from Shanghai** after completion of Hangzhou Bay Bridge in 2008
- **5th highest per capita urban household disposable income** of RMB15,882, after Shenzhen, Wenzhou, Guangzhou, and Shanghai
- **Strong demand fundamentals**: good affordability, rapid urbanisation, strong upgrading needs

Ningbo Municipality Facts

- Coastal port city of Zhejiang province, and is expected to be the leading international port city of China
- One of the earliest fourteen coastal cities to be opened for foreign investment
- 150 kilometres south of Shanghai
- Leading economic centre of Zhejiang
- Primary deep-water port and Petrochemical industry base for Yangtze River Delta region
- Key industries: electronics, machinery, petrochemicals, steel, paper, textiles, electricity
- 1.5 hours' drive away from Shanghai after completion of Hangzhou Bay Bridge in 2008
- Future transportation hub along eastern seaboard



Ningbo Municipality Facts

- Land area = 9,365 km^2
- Total municipal registered population = 5.5 million
- City centre registered population = 1.3 million, and expected to grow to 2.5 million by 2020 (80,000 per year)
- Self-planning independent city, same right as that of a province in economic management and local law stipulation

Ningbo Municipality
- Counties
  - Xiangshan
  - Ninghai
- County-level Cities
  - Yuyao
  - Cixi
  - Fenghua
- Urban Districts
  - **Haishu**
  - **Jiangdong**
  - **Jiangbei**
  - Yinzhou
  - Zhenhai
  - Beilun

Haishu, Jiangdong, Jiangbei: **Ningbo City Centre/** Traditional Three Districts

Ningbo Municipality Jurisdiction Structure

Ningbo Economy

- **Annual GDP growth > 14%** in the last three years, GDP grew **15.5%** to RMB215.8 billion in 2004
- **4th fastest growing economy** and **4th highest per capita GDP**
- **5th highest per capita urban household disposable income of RMB15,882**, after Shenzhen, Wenzhou, Guangzhou, and Shanghai
- **Ranked 6th most competitive Chinese city** (up 4 places since 2003) after Shanghai, Shenzhen, Guangzhou, Beijing and Hangzhou amongst 200 Chinese cities with GDP growth exceeding 8% (Ranking released by the Chinese Academy of Social Sciences, one of China's top think tanks,
- **Private economy is the main impetus for growth.** Local private enterprises contribute to > 55% of GDP and grow rapidly at > 30% (7 Ningbo home-grown enterprises are in top 500 enterprises of China)
- **Secondary and tertiary industries** contribute to 95% of GDP, amongst fastest growing in Chinese cities. Ningbo's tertiary industry is the fastest growing in China
- **Unemployment rate declined to 3.75%** in 2004, lower than national average of 4.2%

Ningbo Economy

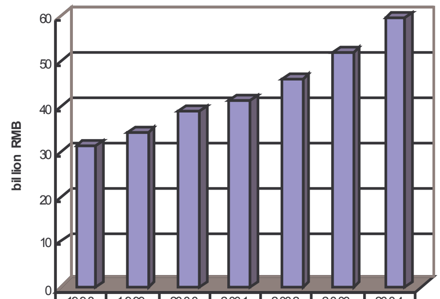
Strong Retail Sales

- Retail sales of consumer goods grew 14.2% to RMB 59.6 billion in 2004, the highest volume in Zhejiang province
- This growth is driven by growth in demand by bigger ticket purchases as well as high-income elasticity goods

Growing Tourism Industry

- Foreign travelers grew 45.4% and domestic travelers grew 16.9%
- Tourism revenue contributed by foreign and domestic travelers grew 53.3% and 23.5% respectively
- Hotel operators like Shangri-la, Hyatt, Marriott, Sheraton, and Sofitel are coming in

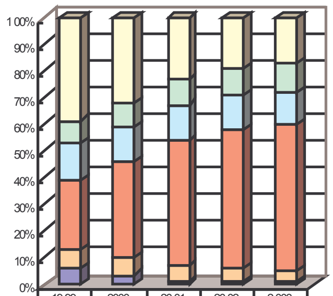
Total Retail Sales of Consumer Goods



	1998	1999	2000	2001	2002	2003	2004
Total Retail Sales of Consumer Goods	31.33	34.57	38.92	41.41	46.28	52.15	59.56

Ningbo Economy

- **More than 5,000 FIEs** are registered for business in Ningbo, with total investment of US$25 billion
- **World-famous MNCs with significant investments in Ningbo**: Mitsui Fudosan, Mitsubishi, Toshiba, BP Amoco, LG,, Mannesmann, Dow Chemicals, Exxon Mobil, Xerox, Hoechst-Messer, Metro, Samsung, TRW, ABB, Nisshin Steel
- **26 Fortune500 Companies** have invested in Ningbo
- **HK and Taiwan investments** involve the following trades: petrochemicals, electronics, textile and garments, machinery, chemica processing, building materials
- **1.2 million workers in Ningbo Municipality are employed by foreign enterprises**
- **6 key development zones** in Ningbo house more than 9,150 enterprises, of which majority belong to the tertiary sector



	1999	2000	2001	2002	2003
Others (10,000RMB)	963	892	805	781	794
Enterprises with Foreign Investment 外商投资企业公司 (10,000 RMB)	213	255	334	401	490
Hong Kong, Macao & Taiwan Funded Enterprises 港澳台商投资公司 (10,000 RMB)	336	374	491	528	577
Private Enterprises 私营企业 (10,000 RMB)	643	990	1641	2093	2558
Share Cooperative Enterprises 股份合作企业	197	192	205	208	207

Ningbo: Key Trade Port

Beilun Habour: Driver of Economic Growth

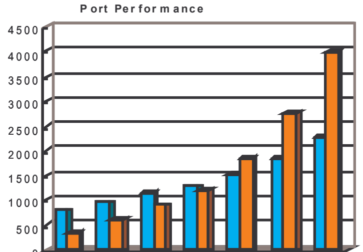
• One of the four international deepwater transshipment ports in China given priority in development and construction in 1989, known as "Rotterdam of the East" for its natural, storm-free deep water

• Container throughput growth has been the fastest among chief container ports of mainland China in last six years

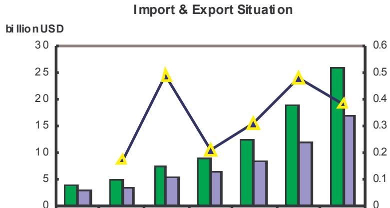
• With completion of the Hangzhou Bay Bridge in early 2008, the 400km trip from Beilun to Shanghai will be reduced to 80km

Strong Trade Growth

• Trade volume has annually increased by 30-40% since Ningbo began to manage direct import and export by itself in 1998



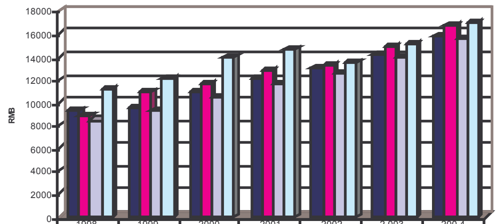
	1998	1999	2000	2001	2002	2003	2004
Cargo Handled (100,000 tons)	807	966	1154	1285	1539	1854	2260
Container Handled (1,000 TEU)	353	601	902	1213	1859	2772	4005



	1998	1999	2000	2001	2002	2003	2004
Total Imports and Export (billion USD)	4.21	5.01	7.54	8.89	12.27	18.8	26.11
Total Export (billion USD)	2.96	3.47	5.17	6.24	8.16	12.07	16.69
Export Growth		17.23%	48.90%	20.69%	30.76%	47.91%	38.27%

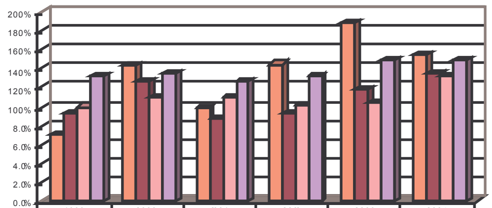
Comparison with other cities

Per Capita Disposable Income of Urban Household



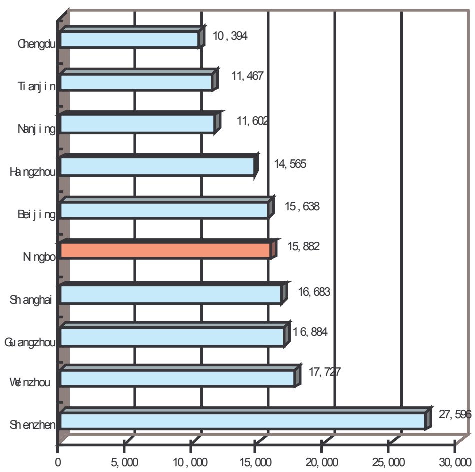
	1998	1999	2000	2001	2002	2 003	200 4
Nin gbo	9193	9492	10921	11,991	12970	1 4277	158 82
Sh anghai	8773	10932	11718	12883	13250	1 4867	166 83
Be jing	8471	9183	10350	11578	12464	1 3883	156 38
Guangzhou	11256	12019	13967	14694	13380	1 5003	168 84

GDP Growth

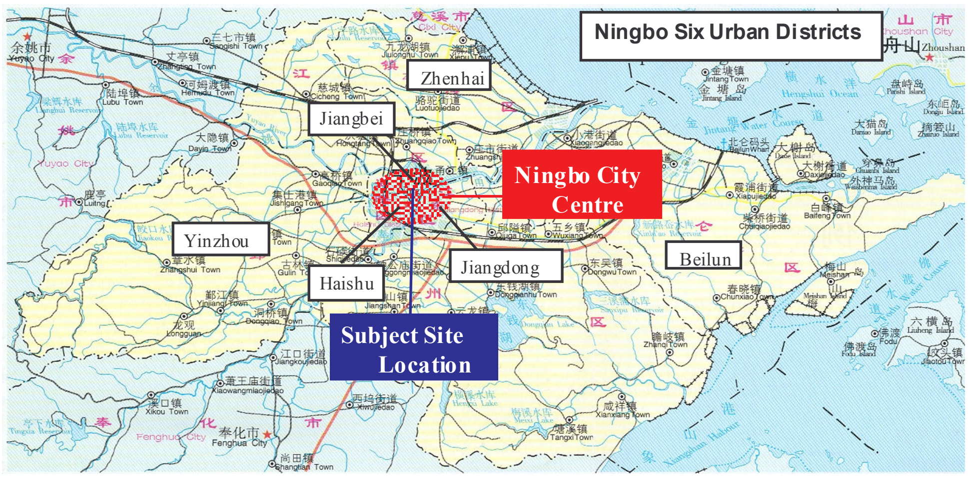


	1999	2000	2001	2002	2003	2004
Ningbo	7.0%	14.4%	9.9%	145%	19.0%	15.5%
Shanghai	9.4%	12.8%	8.8%	9.3%	11.8%	13.6%
Beijing	10.0%	11.0%	11.0%	102%	10.8%	13.2%
Guangzhou	13.3%	13.6%	12.7%	132%	15.0%	15.0%

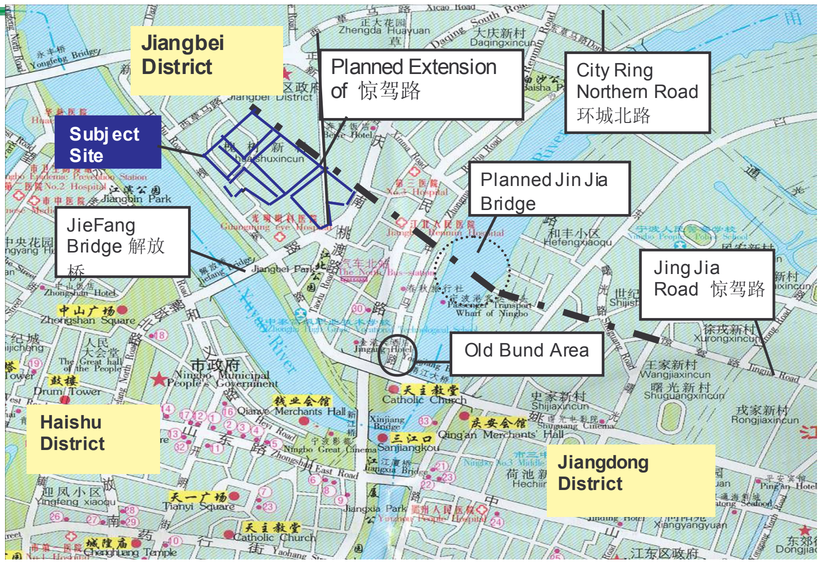
Comparison of 2004 Per Capita Disposal Income of Urban Household between Cities (Yuan)



Ningbo City Centre



Project Location in Ningbo City Centre



Ningdong Plots 1 to 5 Site Details

☐ **Site Area**: 98,413 sqm

☐ **Overall Plot Ratio**: 2.29

☐ **Approved GFA**: 225,050 sqm

☐ **Land Use**: 75% residential, 25% commercial

☐ **Tenure:** 70 years for residential use and 40 years for commercial use

☐ **Proposed development**: a well planned precinct of mid to high-rise apartments, offices, and retail shops, that will be recognised as an attractive, unique, and quality premium product in the core city centre

Ningbo Real Estate Market

- **Macro-economic controls in 2003-2004:** Real estate market stabilising. Improved long-term sustainability.
- **Emergence of distinct market segmentation**: 'High-end' developments in prime downtown selling well, increased supply of low-cost housing and land in suburbs
- **Strong demand fundamentals:**

- Strong GDP and household disposable income growth, better affordability than SH, BJ, GZ (affordability is likely to be even better if we factor in the strong base of successful local businesses which under declare their taxes)
- Rapid urbanisation and migration: Urbanisation rate will increase from 40% to 70% by 2020. Ningbo's transit population grew 24% in 2004 to 2.13mil, about 1.5 times the registered population in Ningbo's city centre. City centre registered population is expected to increase by about 80,000 per year and double to 2.5mil by 2020.
- Upgrading needs: per capita living space below comparable cities despite high income levels

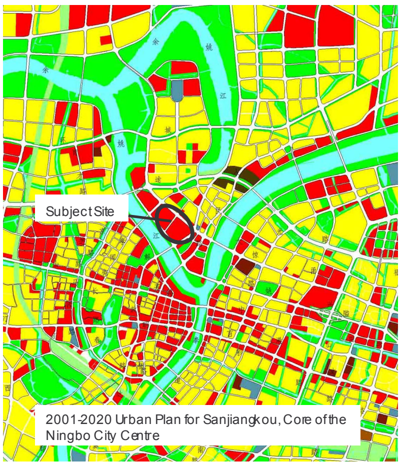
Living space per capita (sqm)	
Guangzhou	18.2
Shanghai	20.4
Beijing	19.0
Ningbo	**17.6**
Hangzhou	17.8

City/Country	Overall housing cost-to-income ratio	New housing-to-income ratio
Ningbo	**8.3**	**8.4**
Shanghai	10.2	12.3
Beijing	9.6	9.9
Guangzhou	7.6	8.9
Hong Kong	16.1	-

Ningbo Real Estate Market

Limited Land Supply in City Centre

- Land price growth more than doubled for high-end residences to 18.2%
- < 70 hectares of land will be released in 2005
- According to the urban plan for Ningbo City Centre, prime-located sites near the Sanjiangkou will be designated for commercial/ public use (location of the subject site was originally slated for commercial use, a reflection of its prime location)
- The Ningbo City Government foresees a shortage of land in the city centre as the city develops. An underground network was proposed late last year as a solution.



2001-2020 Urban Plan for Sanjiangkou, Core of the Ningbo City Centre

Commercial/Public Use Area
Residential Use Area


Ningbo City Centre Urban Plan for 2001-2020

Real Estate Statistics for Ningbo's Six Urban Districts

	2004	2003
Overall Price Growth	14.3%	15.8%
Residential Price Growth	14.8%	16.2%
High-end residential Price Growth	**13.7%**	**10.0%**
Overall Vacancy (sqm)	106,000	146,000
Residential Vacancy (sqm)	32,000	54,000