

Investment Promotion Pre-Notice
For
Central Mall and Relevant Public Facilities in Core Area of Pearl
River New City, Guangzhou

Central Mall and Relevant Public Facilities in Core Area of Pearl River New City is situated in the core area of Guangzhou New City Central Axis, it is a large-scale high-end shopping center planned by Guangzhou Municipal Government in order to cope with the comprehensive development of underground space in core area of Pearl River New City, which aims to provide retail facilities service for Guangzhou 21st Century's Central Business District. In order to achieve the purpose of investment diversification and management specialization for the project, Guangzhou Municipal Government is inviting market leaders of high-end service industries with strong financial capacity and abundant retail operation experience to form strategic alliance. Hereafter is the pre-notice:

I. Project Owner: Guangzhou New Central Axis Construction Company Ltd.

II. Agency Company: Colliers International Property Services (Guangzhou) Co Ltd.

III. Architectural Designer: Joint alliance of OBERMEYER Engineering Consulting Co., Ltd and the Architectural Design and Research Institute of Guangdong Province

IV. Project Name: Central Mall and Relevant Public Facilities in Core Area of Pearl River New City

V. Brief Introduction of the subject project: The project starts with Xiancun Lu in the east, ends with Huaxia Lu in the west, adjacent to Huangpu Avenue in the north and Pearl River in the south, covering approximately 780,000 square meters, the total investment is about RMB 7 billion and gross floor area is approximately 600,000 square meters, it mainly comprises basements from 1st to 3rd floor and scheduled to be completed by the end of 2009, already entered into framework construction period, approximately RMB 2 billion has been invested and accounts for 30% of the total investment. There are 39 large-scale developments surrounding comprising high end office buildings, hotels, and public facilities inclusive of opera house, library, museum, children palace etc as well as metro line 3, metro line 5 and light rail passenger transportation system surrounding. It will provide 180,000 job opportunities, scheduled to be completed and put into usage around 2010.

VI. Project Portfolios: Comprising profit-oriented items inclusive of 151,000 square meters retail area (mainly situated in basement 1, partly in basement 2), 2,996 car parking spaces (can increase some double-decker car parking spaces), and 40,000 square meters commercial advertising area etc, and affiliated urban infrastructure facilities inclusive of aboveground landscape square, tunnel, pedestrian tunnel, pedestrian bridge, daily garbage collection system, underground substation etc.

VII. Cooperation Mode

Scenario One

1. The Government use the land as input (convertible investment is about RMB 1.25 billion as the registered capital, of which about RMB 0.9 billion is removal fee, the land price for retail use costs about RMB 0.35 billion), the investor will invest not less than RMB 1.75 billion as input to establish joint venture company that is responsible for investment, construction, operation of the project;
2. The calculation of equity ratio held by both parties will be based on the capital amount that both parties have already input, and need to be determined by competitive negotiation ultimately.
3. The joint venture company has 40 years property rights of retail space and 40 years operation rights of car parking spaces, commercial advertising spaces and telecommunication access etc, as well as take responsibility of operating and managing the above profit-oriented items and non-profit items inclusive of the landscape scenery, roads, underground tunnel etc. and expenses.
4. The daily operation management of non-profit items inclusive of aboveground landscape scenery, roads, tunnels etc will be lead by the government; the joint venture company must implement strictly related instructions approved by the government in order to ensure the publicity and openness of non-profit items and not damage social public interests

Scenario Two

1. The government will sell the whole retail space and take responsibility of operating profit-oriented projects inclusive of car parking spaces, commercial advertising spaces, telecommunication access etc as well as non-profit items inclusive of aboveground landscape scenery, roads, tunnel etc.
2. Investors purchase the whole retail space with 40 years property rights and also take responsibility of the operational management for the retail shops.

VIII. Eligibility Requirements for Applicants

1. Financial Capability

- (1) Total Asset is not less than RMB 5 billion (including RMB 5 billion);
- (2) Net Asset is not less than RMB1.8 billion (including RMB1.8 billion)
- (3) Possessing financing capacity and channels inclusive of Stock- issuing and loan-borrowing in the domestic or overseas.

2. Track Record

With the experience in operating and managing at least a large scale shopping center above 50,000 m² (including 50,000 m²)

3. The applicants can be single enterprise or joint venture enterprises. The joint venture enterprises can comprise several partners, the financial capability and performance can be accumulated.

VIII. Date of Publication: 26th August 2008

X. Application Period and Venue

1. Application Period: 9:00 ~ 12:00 am and 14:00 ~ 17:30 pm between 28th August 2008 and 20th September 2008 (excluding public holiday)

2. Application Venue: Room 408, the 4th Floor of Jiaoxue Building, the eastern Haixinsha Island, Linjiang Avenue, Pearl River New City, Guangzhou

Interested parties can visit registration office to acquire the detailed project information with your application form.

XI. Required documentations for application

1. Application form

2. The Identity Card or Letter of Authorization of Legal Representative of Legal Entities and Identity Card of Agent.

3. Brief Introduction of the Company (Including business licenses, financial statements in the last fiscal year etc).

4. Joint venture applicants need to provide agreement of joint venture

5. Others.

26th August 2008

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