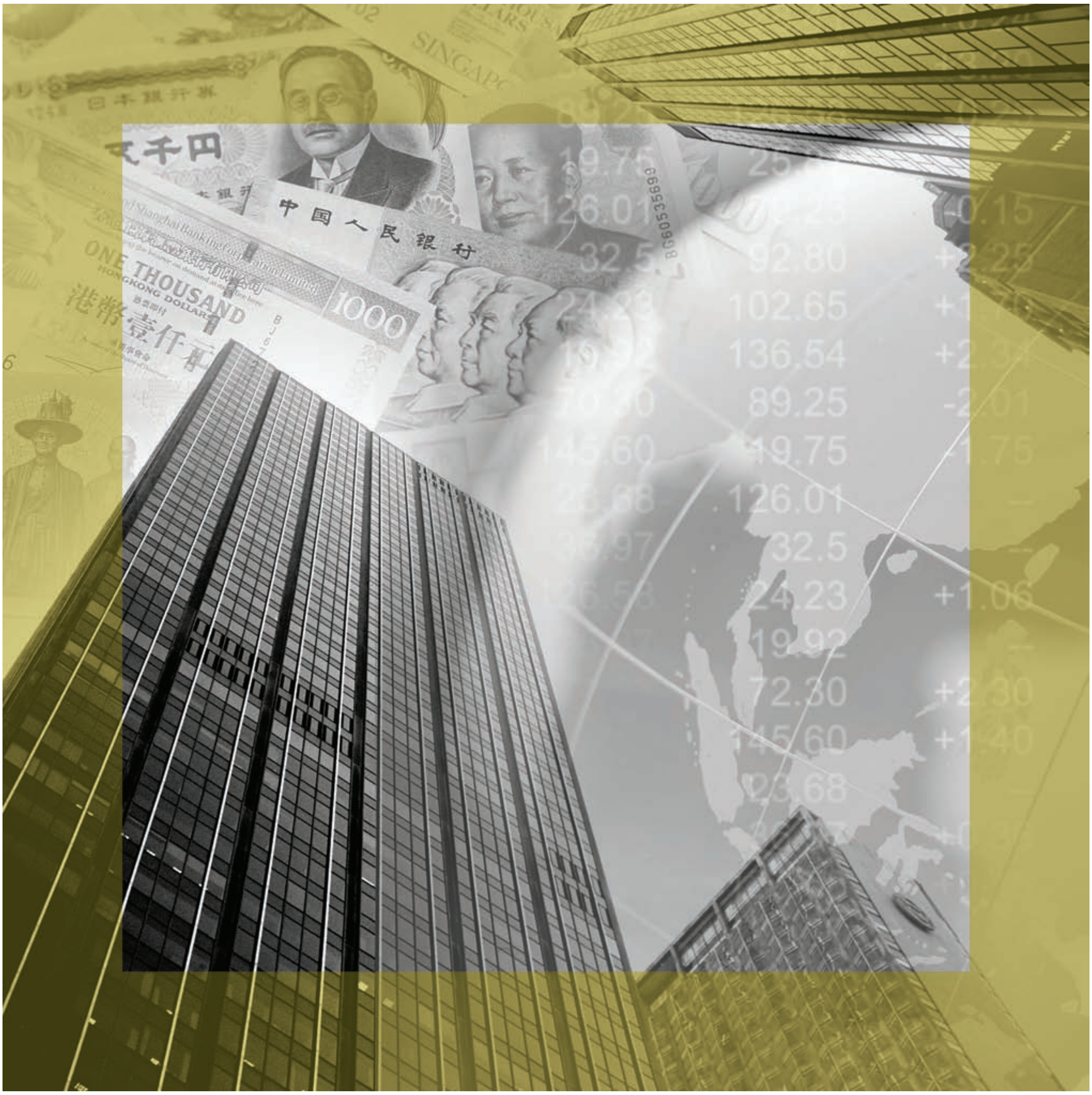
Q1 2008



ASIAN INVESTMENT MARKET FLASH

CBRE RESEARCH

CB RICHARD ELLIS

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ESTIMATED INITIAL YIELDS

City	Prime Office	Luxury Residential	Retail	Industrial
Tokyo ^	2.8-3.3%	4.5-5.0%	2.8-3.3%	4.8-5.3%
Seoul*	5.0-5.5%	3.0-4.0%	6.5-7.5%	7.0-7.5%
Greater China*				
Beijing	7.0-8.0%	5.0-7.0%	8.0-10.0%	9.5-10.5%
Shanghai	6.0-8.0%	6.0-7.0%	7.0-8.0%	8.0-9.0%
Guangzhou	6.4-9.1%	3.1-6.9%	6.0-8.0%	na
Hong Kong	4.3%	3.0%	3.8%	6.7%
Taipei	3.8-5.0%	na	5.0-5.5%	5.0-5.5%
India*				
Delhi	7.5-10.5%	2.0-3.0%	7.0-9.5%	na
Mumbai	11.0-12.0%	2.0-3.0%	11.5-12.5%	na
Singapore*	5.2%	3.0%	5.6%	2.8%
Kuala Lumpur ^	6.0-6.5%	6.0-7.0%	6.5-7.0%	na
Bangkok ^	5.5-6.5%	3.0-4.0%	8.0-9.0%	10.0-11.0%
Manila*	11.0%-12.0%	7.0-10.0%	na	na
Jakarta ^	9.5-11.0%	10.8-12.0%	10.0-13.5%	8.5-10.3%

Reported initial yields for different cities are based on individual city's market practice and may be gross or net yields.

** Gross yields - defined as the ratio of gross income (i.e. income before non-recoverable costs are allowed for) over purchase price.*

^ Net yields - defined as the ratio of net income (i.e. income after allowing for non-recoverable costs of ownership) over purchase price.

The first quarter of 2008 was characterised by uncertainty regarding the global economic climate resulting from the global credit crisis, volatile capital markets and the slowing global economy. Though highly leveraged investors have largely stepped out of the region's investment markets due to the continued credit squeeze, core and core-plus investors remained active in many markets. On the back of the region's sound economic fundamentals and positive long-term outlook, as well as reasonably balanced supply-demand dynamics in many commercial property markets, financially-sound investors remained generally positive on the outlook for the investment market, though some have adopted a "wait-and-see" attitude. As a result, the atmosphere was quite mixed in Asia's major property markets, and investment activity in certain cities therefore eased from the peaks recorded in 2007, although transaction volume remained robust.

Major Asian cities continued to capture investor interest in the first quarter of 2008 on the back of the upbeat office market, where limited supply again exerted upward pressure on rentals. Prime office properties continued to be highly sought-after by investors, with both REITs and institutional investors making notable acquisitions, including the majority of the quarter's ten largest investment deals. The combined value of the ten largest transactions was US$8.6 billion, with Mitsubishi Estate topping the list with its acquisition of the Resona Maruha Building in Tokyo for over JPY 162 billion.

Singapore's investment market remained active, despite wider uncertainty arising from the sub-prime crisis. A total of S$8.50 billion worth of investment transactions were recorded over the first quarter. The positive long-term outlook underpinned property investment activity amid the

TOP 10 INVESTMENT DEALS (Q1 2008)

	City	District	Property	Sector	Approx. Transaction Value (US$) mn
1	Tokyo	Chiyoda-ku	Resona Maruha Building	Office	1,628
2	Hong Kong	Mong Kok	Langham Place * (Certain office portions, retail and car park)	Mixed Use	1,607
3	Tokyo	Chiyoda-ku	Shinsei Bank Building	Office	1,186
4	Singapore	Raffles Place	One George Street	Office	845
5	Tokyo	Meguro-ku	The Westin Tokyo	Hotel	774
6	Singapore	Orchard	Singapore Power Building	Office	733
7	Singapore	Raffles Place	Hitachi Tower	Office	588
8	Tokyo	Shinagawa-ku	Citi Group Center	Office	482
9	Tokyo	Ota-ku	IIF Haneda Airport Maintenance Centre	Industrial	424
10	Kanagawa	Yokohama City	MM Park Building	Office	376

** Proposed transaction, subject to shareholder approval.*
Transaction prices are reported according to the best of our knowledge but we do not guarantee their accuracy. Discrepancies may result due to rounding.

uncertain global economic environment, and Singapore's position as a financial hub and popular location for MNCs, as well as supply-demand dynamics in the office market, are expected to sustain a healthy level of investment activity.

In **Hong Kong**, local investors were somewhat less aggressive in acquiring investment properties in the first quarter due to the prolonged stock market volatility. Notwithstanding the slight lull, the negative real interest rate environment and positive long-term trends should prompt activity from sophisticated investors, though others with weaker financial positions will face constraints. A noteworthy transaction in the quarter was Champion REIT's acquisition of the retail, car park and certain office portions of Langham Place in Mong Kok for a total consideration of HK$12.5 billion, subject to shareholders' approval. The seller was the REIT's largest shareholder, Great Eagle Holdings.

While investor appetite for assets in **Japan** has not diminished, some lenders are exercising caution and many opportunistic funds have stepped out of the market. Prices for smaller, less well located assets have also softened. However core and core plus funds targeting good quality, well located properties and financing at loan-to-value ratios of circa 50% continued to raise debt without too much difficulty, and prices for the best quality assets therefore remained firm.

Overseas investors remained keenly interested in acquiring investment properties in **China**, in spite of the increasingly restrictive measures on the entry of foreign capital. Properties with offshore equity structures therefore have a significant advantage in the market as they enable investors to avoid rigid onshore approval procedures. In Shanghai, South Korea's Mirae Asset acquired the Shama Luxe at Xintiandi from Gateway Capital for an undisclosed amount. The tightened credit conditions in the real estate industry and restrictions on the entry of foreign capital have led some local developers to seek alternative financing from international institutions, resulting in alliances such as those between Forte and SEB and Gemdale with UBS, as well as an increase in M&A activity among local companies.

Taiwan's real estate investment market showed signs of growing buoyancy, as evidenced by steady appreciation in the capital values of commercial properties and rising transaction volumes. This was especially evident in the residential and commercial sectors, with market sentiment having improved markedly on the back of optimism surrounding the anticipated introduction of closer economic, transport and tourism ties with mainland China under the new government. The more positive economic outlook has also prompted more overseas investors to begin looking for real estate opportunities in Taiwan.

Following the surge in activity in 2007, investment activity in **Seoul** saw a slight reduction in intensity and a shift in focus. Investor appetite for office properties remained undiminished, but the steep rise in office capital values has created wide gaps in expectations between sellers and potential buyers, and none of the buildings offered for sale were transacted. Investors therefore diversified their investment strategies with respect to location and sector, seeking office development opportunities as well as retail and industrial properties.

The **Kuala Lumpur** investment market was relatively subdued during the period under review following the flurry of transactions in the fourth quarter of 2007. The office sector continued to dominate investment activity and Kuwait Finance House was again active in the office market, acquiring the Menara YNH after being involved in the transaction of three office buildings in the fourth quarter of 2007.

In **India**, investor sentiment remained cautious and selective, with optimism about long-term prospects but expectations of some volatility and consolidation over the short-term. Another significant event for the market was the issuance of the draft guidelines by the Securities and Exchange Board of India regarding Real Estate Mutual Funds (REMFs).

In New Delhi, certain sub-market locations such as Noida have seen volatility in both capital and rental values on account of oversupply, primarily for IT/ITeS space. However Noida witnessed one of the quarter's most notable transactions, the Noida Authority's auction of a 95-acre commercial land parcel that fetched a price of over INR 50 billion (US$1.25 billion). There has also been an increased focus on development of industrial, infrastructure and warehousing projects.

Seller	Buyer	Local/ Foreign Buyer
Resona Holdings	Mitsubishi Estate	Local
Great Eagle Holdings	Champion REIT	Local
Dolphin Japan Investment YK	Fujisawa Holdings TMK	Local
CapitaLand	CapitaCommercial Trust	Local
Morgan Stanley & Starwood Capital Group	GIC Real Estate	Foreign
Singapore Power	Pacific Star Group	Local
CapitaLand & National University of Singapore	A foreign fund	Foreign
Citibank	Morgan Stanley Real Estate Investment GmbH	Foreign
Japan Airlines International	Industrial and Infrastructure Fund Investment	Local
Mitsubishi Estate	Japan Real Estate Investment	Local

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JAPAN TOKYO

Despite generally favourable real estate fundamentals, the first quarter saw financial institutions curtail lending as global sentiment worsened following further US sub-prime woes. The tightening debt market and reduction in loan-to-value ratios saw highly leveraged investors pull back from the market. Nevertheless, core and core plus funds remained active and there were several landmark transactions. The largest was the acquisition of the Resona Bank Headquarters in Otemachi, Chiyoda-ku. Mitsubishi Estate acquired a 73% sectional ownership of the building for approximately JPY 162 billion from Resona Holdings Inc. Resona will remain in the building until relocating around 2010.

GIC Real Estate, the property investment arm of the Government of Singapore Investment Corporation, purchased The Westin Tokyo from a Morgan Stanley real estate fund and funds managed by Starwood Capital Group for JPY 77 billion. Morgan Stanley Real Estate Investment completed the acquisition of the Citigroup Center, in Shinagawa-ku, from Citibank, who will continue to occupy the space under a lease expiring in 2016. The price was estimated at approximately JPY 48 billion. In March, Morgan Stanley announced the acquisition of the Shinsei Bank Building in Chiyoda-ku for JPY 118 billion. Germany's Deka Immobilien Investment acquired two properties from Urban Corporation in Osaka: Urban BLD Shinsaibashi for approximately JPY 19 billion and Urban Terrace Chayamachi for about JPY 10 billion. Deka also acquired the German Center for Industry and Trade in Yokohama for approximately JPY 11 billion from Deutsche Bank's RREEF Alternative Investments.

J-REITs remained active: Industrial and Infrastructure Fund (IIF) acquired IIF Haneda Airport Maintenance Center for JPY 42.2 billion at an estimated NOI yield of 4.6%. Japan Retail Fund (JRE) acquired AEON Sapporo Hassam Shopping Center in Sapporo through a related party transaction for JPY 18.4 billion at an estimated NOI yield of 5.0%.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = JPY 99.535

Sector	District	Property	Approximate Price (million) JPY	US$
Office	Chiyoda-ku	Resona Maruha Building	162,000	1,628
Office	Chiyoda-ku	Shinsei Bank Building	118,000	1,186
Hotel	Meguro-ku	The Westin Tokyo	77,000	774
Office	Shinagawa-ku	Citigroup Center	48,000	482

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PEOPLE'S REPUBLIC OF CHINA HONG KONG

Against a backdrop of dampened global growth, Hong Kong remained resilient due to sustained domestic demand, China's economic strength and growing trade links within the region. However, the volatility in equity markets seen in the first quarter had some impact on Hong Kong's property sector, cooling market sentiment and leading to less aggressive investment activity.

The factors impacting sentiment are external rather than domestic. The most prominent concern involves potential factory closings in the Pearl River Delta under upward pressure on manufacturing costs. The possible establishment of direct links between mainland China and Taiwan could pose potential challenges to Hong Kong's transit role in the region.

The market's underlying fundamentals remain resilient, and many investors and occupiers are still interested in expanding in Hong Kong. The first quarter saw China Construction Bank pay HK$417.2 million to raise its stake in the Grade A office development project on the site of the former Ritz-Carlton Hotel to 50% (Lai Sun Development holds the other 50%), and Swire Properties acquired about 50% of the Sincere Insurance Building in Wan Chai at HK$700 million.

Though some international investment players were reported to be considering divesting portions of their Hong Kong portfolios, the moves should not be seen as overly pessimistic since they are likely triggered by standard institutional investment strategies when return targets have been achieved.

With rising inflation and continued Fed easing, Hong Kong has entered into a negative real interest rate environment and the sustained low cost of borrowing should be positive for property investment. Savvy players are seeking to time the inevitable rebound of market confidence, and interest in acquiring properties ought to recover quickly once market sentiment stabilises.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = HK$7.7829

Sector	District	Property	Approximate Price (million) HK$	US$
Industrial	Tuen Mun	Tins Plaza	850	109
Industrial	Tsing Yi	Outboard Marine	700	90
Office	Wan Chai	Sincere Insurance Building (about half portion)	700	90
Industrial	Kwun Tong	Piazza Industrial Building	620	80

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SINGAPORE

The office sector performed well during the first three months of 2008, accounting for 37.4% of total investment sales or S$3.18 billion. Despite rising caution due to the US sub-prime problems, healthy office leasing momentum and strong economic fundamentals continued to drive investment and investors showed no sign of scaling back activity, as evidenced by a number of office sales. These included the sale of One George Street to CapitaCommercial Trust (CCT) for S$1.17 billion (S$2,600 psf), a foreign fund's purchase of Hitachi Tower for S$811 million (S$2,901 psf) and Pacific Star Group's purchase of the Singapore Power Building for S$1.01 billion (S$1,820 psf). In addition, Auric Pacific Group sold One Phillip Street to New Star International (Singapore) Pte Ltd for S$99.02 million (S$2,749 psf).

Investment activity in the residential sector (including Good Class Bungalow sales) slowed considerably in the first quarter, contributing S$2.68 billion in transacted value or 31.5% of total investment sales. Following heightened investor interest in en bloc acquisitions in 2007, demand for private residential land turned lukewarm in 2008. Developers were less keen as most had built relatively strong inventories of freehold residential sites in 2007. Response to recent new launches was subdued, with purchases limited to choice locations. In addition, the release of more affordable 99-year leasehold residential sites under the Government Land Sales programme may have diverted some interest away from private sites. The sole collective sale was Ban Guan Park, acquired by Link THM Holdings for S$31.1 million (S$870 psf/plot ratio).

Activity in the industrial sector was dominated by REIT-related purchases. The sector accounted for 5.6% of total investment sales, or S$477.12 million, in the first quarter. Ascendas REIT (A-REIT) contributed the bulk of industrial investment sales, acquiring six properties for a total of S$264.5 million. MapletreeLog also continued to expand its portfolio, acquiring four properties for a total of S$122.1 million.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = S$1.3782

Sector	District	Property	Approximate Price (million) S$	US$
Office	Raffles Place	One George Street	1,165	845
Office	Orchard	Singapore Power Building	1,010	733
Office	Raffles Place	Hitachi Tower	811	588
Industrial	-	Six industrial properties by Ascendas REIT	265	192

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SOUTH KOREA SEOUL

The rapid increase in office capital values continued to impact the investment market. Although several buildings were offered for sale, the wide gap in buyer and seller expectations meant no office transactions were completed during the quarter.

As an alternative to existing office buildings, investors sought opportunities to invest in development projects in major office districts. Mirae Asset MAPS Investment Management obtained 47% of the shares of Y22, a Special Purpose Corporation formed to invest in the large Parc 1 project in Yeouido Business District.

Given the scarcity and high price of land available for development, overseas investors have also entered into project development partnerships. The Yongsan International Business District project has attracted investors including Merrill Lynch, MAPS and Samsung Life Insurance. The Cheongna International Business District in the Incheon IFEZ will be developed by a consortium of POSCO E&C and Pangaea Capital Management. Pangaea, a Singapore-based private fund, paid KRW 99 billion for a 40% share in the project. There have been reports of stiff competition among candidates to develop Landmark Tower in Sangam Digital Media City (DMC). Macquarie has partnered with Kookmin Bank and other investors in a bid to finance the project. If the Macquarie-Kookmin consortium acquires the development rights, overseas investors would hold more than 50% of the project.

Investors again sought opportunities in other sectors, most notably the retail and industrial markets. ING KPI raised funds privately to purchase three Lotte hypermarkets in a sale and leaseback transaction for KRW 220 billion. The industrial market in Gyeonggi was again a focus of activity: AMB purchased a SeYang Logistics facility in Dukpyeong for KRW 23.5 billion and Mapletree purchased an Oakline Logistics warehouse in Yeoju for KRW 11.6 billion. ProLogis signed build-to-suit agreements with two Korean logistics providers.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = KRW 990.35

Sector	District	Property	Approximate Price (million) KRW	US$
Retail	Daejeon, Incheon & Jeju	3 properties of Lotte Mart	220,000	222
Industrial	Dukpyeong	SeYang Logistics	23,500	24
Industrial	Yeoju	Oakline	11,600	12

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INDIA MUMBAI

Investor sentiment remained cautious and selective, with optimism about long-term prospects but expectations of some volatility and consolidation over the short-term. The failure to achieve full subscription for the Emaar-MGF Land IPO (JV between Dubai and Delhi based developers) indicated that primary markets are facing difficulties amid the liquidity crunch and negative sentiment across the market. Another reason cited for the failure was the aggressive pricing of the issue. These factors have certainly restrained the flow of funds to overheated asset classes such as IT / ITeS space and locations such as Central Mumbai and BKC. Speculative investors also stepped out of the market, and end-users are facing affordability issues.

The response to the auctions conducted by the Mumbai Metropolitan Region Development Authority (MMRDA) has effectively confirmed the peaking of land prices in certain pockets of the Mumbai market. The two residential plots auctioned in the BKC were awarded to Starlight Systems for INR 352,000 psm, as against the reserve price of INR 120,000 psm, while a commercial plot was awarded to Jet Airways for INR 344,000 psm. The reserve price for the commercial plot was INR 300,000 psm. Among the five properties auctioned, one intended for commercial use and another for club house and gymnasium failed to attract any bidders. This is in stark contrast with the last auction for a commercial plot in the Alternate Business District of BKC, in November 2007, which closed at approximately INR 400,000 psm.

Other noteworthy transactions included Larsen and Toubro Limited winning the Seawoods Project in Navi Mumbai for INR 18.1 billion, Ceat selling a seven-acre land parcel in Bhandup for INR 1.30 billion, Bombay Oxygen Corporation selling land at Mulund to Housing Development and Infrastructure Ltd for INR 2 billion and Tyco Electronics selling approximately 10 acres in Viman-nagar, Pune to a private developer.

MAJOR TRANSACTIONS - Q1 2008

EXCHANGE RATE: US$1 = INR 40.12

Sector	District	Property	Approximate Price (million) INR	US$
Land	Navi Mumbai	Seawoods Project	18,030	449
Land	Mulund	-	2,000	50
Land	Bhandup	-	1,300	32

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INDIA NEW DELHI

Although expecting some volatility and consolidation in the short-term, investors remain optimistic about the long-term growth prospects of Indian real estate. The stock market correction of over 25% over the last three to four months has added to the liquidity concerns of investors who were already trying to cope with the prevalent high valuations.

While rents and capital values in Delhi continued to increase, certain sub-market locations such as Noida have seen volatility in both capital and rental values on account of oversupply, primarily for IT/ITeS space.

However the year kicked off on a high note with the 95-acre Noida commercial land auction fetching an exorbitant INR 50 billion (US$1.25 billion). Developer Business Park Town Planners outbid the likes of DLF, the country's largest developer, and Ansal API. The site is expected to yield around 8.2 million sf of commercial space.

Another significant event for the market was the issuance of the recent draft guidelines by the Securities and Exchange Board of India in reference to Real Estate Mutual Funds (REMFs). The guidelines are expected to introduce retail investor participation in the real estate market and would provide an exit route for developers not eligible for FDI participation.

The draft guidelines would allow local asset management firms to raise money from investors, which could be invested in real estate projects as well as in the equity of both listed and unlisted firms. One of the biggest advantages to the introduction of REMFs would be the enhancement of liquidity in the sector through the introduction of easily tradeable assets. In addition to providing investment opportunities to retail investors otherwise unable to access to the real estate investment market, REMFs would also offer greater transparency in terms of valuations, as the properties would be listed.

MAJOR TRANSACTIONS - Q1 2008

EXCHANGE RATE: US$1 = INR 40.12

Sector	District	Property	Approximate Price (million) INR	US$
Commercial land	Noida	-	50,000	1,246

Transaction prices are reported according to the best of our knowledge but we do not guarantee their accuracy. Discrepancies may result due to rounding.

INDONESIA JAKARTA

The first quarter of 2008 saw the announcement of several major development projects and investments.

Limitless LLC, the property subsidiary of Dubai World, will pay US$110 million for stakes in three subsidiaries of PT Bakrieland Development, forming a strategic partnership and providing the local player capital for further expansion. Bakrieland and Limitless will work on the development of the Rasuna Epicentrum mega-project. The Rasuna Epicentrum is a master-planned, mixed-use project that will include office buildings, apartments, commercial space and outdoor areas. The first building, Bakrie Tower, slated for completion in early 2009, will be a 48-storey Grade A landmark office building, with over 61,000 sm of GFA. In late 2007, the Bakrie Group purchased a 12-hectare site near the Rasuna Epicentrum development from PT Bank Bumi Putra, for an undisclosed amount.

The Lippo Group announced a massive new mixed-use project, to be known as the St. Moritz Penthouses and Residences, to be located in Purah Indah, the CBD of West Jakarta. The project will be completed in phases, with three apartments and a shopping mall to be completed in late 2010, followed by four blocks of high-end apartments as well as other facilities including a five-star hotel, convention centre, country club and international school. The US$1.2 billion project will be internally funded.

Based on the monthly report published by the Indonesian Chamber of Commerce and Industry (KADIN) in February 2008, the value of total Investment Agreements continued to increase steadily in Indonesia, with a total of IDR 188.88 trillion (US$20 billion) in domestic investment and US$40.15 billion in foreign investment recorded in 2007, indicating the strength of investment activity in Indonesia.

Given the relatively steady demand, prices and rents of investment properties increased across all sectors. Investment yields were largely stable, with office yields ranging from 9.5-11%, luxury residential yields ranging from 10.8-12%, retail yields between 10-13.5% and yields in the industrial sector between 8.5-10.3%.

NO MAJOR TRANSACTIONS WERE RECORDED IN JAKARTA IN THE FIRST QUARTER OF 2008.

MALAYSIA (This section is contributed by CH Williams Talhar & Wong) KUALA LUMPUR

The Kuala Lumpur investment market was relatively subdued during the period under review following the flurry of transactions in the fourth quarter of 2007. January saw the bulk of investment activity, as transactions carried over into the new year. Investor attention remained focused on the office sector, the trend largely attributable to the present tight office supply situation in Kuala Lumpur. The results of the recent general election, held on March 8, have yet to show any significant impact on the real estate market.

Notable transactions included German-based Union Investment Real Estate AG's purchase of an office project uncompleted since 1997, Office Tower 2 in the Capital Square project, from Bandar Raya Developments Bhd. Union paid RM 439.32 million (RM 732 psf) for the 41-storey central Kuala Lumpur project, now scheduled for completion in 2010.

After a busy fourth quarter in which it acquired three office buildings under construction, i.e. The Icon (East Wing), The Icon @ Mont' Kiara and Glomac Tower, in January, Kuwait Finance House purchased an en-bloc interest equal to 50% of a proposed 45 storey office tower with two wings on a retail podium, together known as Menara YNH, located in central Kuala Lumpur, for RM 920 million in the period under review.

The quarter also saw M-REIT Quill Capita Trust acquire the Quill Building 5 - IBM, Quill Building 8 - XPJ and Quill Building 10 - HSBC. Quill paid a total of RM 94.54 million for the three buildings, all of which are located in greater Kuala Lumpur.

The Federal Land Development Authority (FELDA) has entered into an agreement with TTDI Development Sdn Bhd to purchase a 50-storey office tower to be named the Menara Felda for a total of RM 640.77 million (RM 930 psf). The building will be developed as part of the massive RM 3.5 billion mixed-use Platinum Park development, to be located in central Kuala Lumpur. The building should be completed in 2012.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = RM 3.1985

Sector	District	Property	Approximate Price (million) RM	US$
Office	Kuala Lumpur	Menara YNH (50% interest)	920	288
Office	Kuala Lumpur	Platinum Park - Menara FELDA	641	200
Office	Kuala Lumpur	Capital Square - Office Tower 2	439	137
Office	Sepang	Quill Building 5 - IBM	43	13

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PHILIPPINES MANILA

Investor sentiment was upbeat as the economy remained strong and relatively stable despite the global economic slowdown.

The CBD saw several transactions involving office buildings and vacant lots, with both domestic investors and partnerships between domestic and overseas parties active.

The three office transactions included the sale of an unfinished building located on Makati's main thoroughfare, EDSA, and beside the luxury Dasmarinas Village residential community. Standing on a 102,220 sf (9,500 sm) lot, the building has been unfinished for approximately 20 years. It was sold to a partnership of Alphaland and UK investment company Ashmore Group for PHP 1.2 billion (US$28.7 million) by the joint owners, South China Resources and the Puyat family.

The Alphaland/Ashmore partnership also purchased two vacant lots (combined area approximately 25,824 sf / 2,400 sm) along Ayala Avenue in Makati for US$19.6 million (PHP 820 million) from Sta. Lucia Land (formerly Zipporah Realty).

The second lot transaction involved an approximately 53,800 sf (5,000 sm) parking facility, located on Valero Street, also in the CBD. The property was owned and operated by subsidiaries of Ayala Land, and was sold to Megaworld Corp. for US$21.6 million (PHP 902 million).

Rizal Commercial Banking Corporation sold the Jaka I (Jaka 6780) Building located on Ayala Avenue to Valparaiso Land Holdings, a local company, for US$23.3 million (PHP 975 million). Meanwhile, the Bank of the Philippine Islands sold the Ayala Life Assurance Building to William Gatchalian, head of the Wellex Group, for US$16.7 million (PHP 686 million).

Kuwait and Gulf Link (KGL) Investments will invest US$1 billion to develop a logistics complex in Industrial Estate Five, a 130-hectare lot in the 2,500-hectare DMIA Civil Aviation Complex. Singapore Airlines Engineering Company invested US$250 million to develop an aircraft maintenance, repair and overhaul facility on a 10-hectare property in the DMIA.

NO MAJOR TRANSACTIONS WERE RECORDED IN MANILA IN THE FIRST QUARTER OF 2008.

PEOPLE'S REPUBLIC OF CHINA BEIJING

Beijing's investment market remained resilient, with several notable transactions in the first quarter. Swire Property and Sino Ocean Land will each invest RMB 4 billion (US$570 million) to develop the Jiangtai Business Centre near the Fourth East Ring Road. The project will include an office building, a luxury hotel and an 86,000-sm (925,700 sf) shopping centre. Each company will hold 50% equity in the project, which is expected to come on stream in 2010.

Despite the increasing restrictions imposed on the entry of overseas capital into the real estate market, Hong Kong developers and overseas funds remained keen on acquiring properties in China. In January, Meitou (Tianjin) Property Co Ltd, a wholly owned subsidiary of Merrill Lynch, purchased the Beijing Yintai Centre, a 75,000-sm (807,300 sf) Grade A building in the core of Beijing's CBD, for RMB 1.2 billion (US$172 million).

Harvest Capital acquired The Fifth Square, located on the Second East Ring Road, consisting of three office buildings and a retail podium; the office portion set for occupation in the first quarter.

Purchasers acquiring buildings for self-use accounted for a large percentage of en bloc office transactions, with commercial banks and other local companies being the major buyers. The number of overseas banks receiving approval to open branches in Beijing has continued to rise. Bank of East Asia (China) purchased 31,000 sm (333,680 sf) of space in Prosper Centre for RMB 781 million (US$111 million). China Communication Construction Company and Industrial and Commercial Bank of China purchased Tower A and D of China Triumphal Arch, located in Desheng Science Park, for RMB 726 million (US$104 million) and RMB 491 million (US$70 million), respectively.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = RMB 7.012

Sector	District	Property	Approximate Price (million) RMB	US$
Office	Chaoyang	Beijing Yintai Centre	1,205	172
Office	Chaoyang	Prosper Centre	781	111
Office	Xicheng	China Triumphal Arch (Tower A)	726	104
Office	Xicheng	China Triumphal Arch (Tower D)	491	70

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PEOPLE'S REPUBLIC OF CHINA SHANGHAI

The increasingly strict government controls on overseas investment in real estate have failed to deter interest in income-producing properties. Properties with clear offshore equity structures are therefore being eagerly sought out by overseas institutional investors.

Three transactions involving properties with such structures were recorded in the first quarter of 2008. Mirae Asset, a Korean institutional investor, acquired Shama Luxe at Xintiandi from Gateway Capital. Located in the heart of Xintiandi, the property was purchased by Gateway Capital in the first quarter of 2006, and later renovated as a serviced apartment block with 100 luxury units. Neither party to the deal has disclosed details of the transaction. The other two significant purchases by overseas investors were Carlyle's purchase of the remaining portion of Residence 8 for a total consideration of about RMB 2 billion (US$284 million) and Grosvenor Group's acquisition of one block in Chateau Pinnacle for RMB 1.2 billion (US$171 million).

The other major trend in Shanghai's property investment market is the increasing investment activity by local investors, a result of tightened credit conditions in the real estate industry and restrictions on the entry of foreign capital.

In March, China Enterprise announced that it had signed a Letter of Intent with Shanghai Industrial Investment (Group) Co Ltd to sell the Wan Tai Building for a total consideration of RMB 870 million (US$124 million). The Wan Tai Building is a mixed-use project including a retail podium and office block. The project has a total GFA of about 310,000 sf and is scheduled for completion in 2008. Having acquired the project via public auction in the fourth quarter of 2006, China Enterprise will realize a gross profit of about 60%, or RMB 330 million (US$47.1 million) on the completion of the deal.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = RMB 7.012

Sector	District	Property	Approximate Price (million) RMB	US$
Residential	Luwan	Residence 8 (remaining portion)	1,990 *	284
Residential	Changning	Chateau Pinnacle	1,200 *	171
Residential	Luwan	Shama Luxe at Xintiandi	900 *	128
Mixed-use	Jing'an	Wan Tai Building	870	124

Transaction prices are reported according to the best of our knowledge but we do not guarantee their accuracy. Discrepancies may result due to rounding.
** CBRE estimation, actual price undisclosed.*

PEOPLE'S REPUBLIC OF CHINA GUANGZHOU

The Central and local governments continued to promulgate measures to curb speculative activity in the property sector during the first quarter of 2008, while the Guangzhou tax bureau raised the pre-payment rate of the Land Appreciation Tax (LAT) for real estate developments, with only budget housing projects receiving exemptions.

Sentiment on the residential buy side was poised between optimism and pessimism. Primary luxury residential prices slipped a bit, and sales volumes remained low despite the price discounts offered by many developers. According to official statistics, the total transaction volume and total value of residential housing transactions declined 31.6% y-o-y and 13.6% y-o-y, respectively, during the first two months of 2008.

Given the changeable global economic environment and uncertain outlook for the domestic property market, Guangzhou developers are facing negative market sentiment regarding prospective listings on the Stock Exchange of Hong Kong. Changsheng China Property and Evergrande postponed their IPO plans in Hong Kong, both citing the high level of volatility and reduced confidence in future growth.

Investment activity was limited to the acquisition of a development project and government land sales. Canton Property Investment Limited, listed on London's AIM board, disclosed details about a transaction involving the Canton Finance Centre development in Pearl River New City. The project will include office, retail, serviced apartment and hotel portions. Canton Property acquired the project for a total consideration of approximately RMB 2.5 billion (US$357 million). At a government land sale, Guangdong Longguang Group Real Estate Corp Ltd secured a residential site in Nansha with its opening bid of RMB 299 million (US$42.7 million). Before announcing the delay of its IPO, Evergrande acquired a large-scale residential site for a total consideration of RMB 4.1 billion (US$585 million) in Yuancun, Guangzhou.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = RMB 7.012

Sector	District	Property	Approximate Price (million) RMB	US$
Mixed Use	Tianhe	Canton Finance Centre (Pearl River New City B1-1 site)	2,500	357

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TAIWAN — TAIPEI

Many investors, especially those from overseas, spent the first quarter of 2008 on the sidelines ahead of the March 22 presidential election. The "wait and see" approach was evident in the quarter's transaction volume, which plummeted by 64% q-o-q to US$402.5 million. Moreover, all deals that did take place involved local investors.

Deutsche Bank sold the Neihu Technology Building to CECI Engineering Consultants for a consideration of US$69 million, reflecting a 24% increase in capital value in the 25 months the bank held the property. In another notable transaction, Taipei Fullerton Hotels acquired the Crowne Plaza Hotel for approximately US$69 million. Fullerton has been aggressively expanding its business in Taipei; it spent US$20 million to acquire the Taipei Fullerton Hotel North, located in Fuxing North Road, from China Life Insurance in May 2007. The Crowne Plaza Hotel, which will be renamed the Taipei Fullerton Hotel East, is in close proximity to the new Nangang Exhibition Centre, the city's largest, and has enjoyed occupancy rates averaging 70% and above over the past two years.

Precious Jade Construction purchased nine floors of the Asiaworld Shopping Mall for US$122 million at court auction, following its purchase of two floors of the building for US$66.8 million in the previous quarter. It is now the mall's major landlord. In expectation of the deregulation measures proposed by the new president, as well as closer economic, transport and tourism ties with China, many analysts are optimistic about the potential for the real estate sector. For example, the Agora Garden is scheduled to be sold through open bidding in May, the seller setting an unprecedented minimum bid of US$490.5 million. Upon completion, the transaction will set a new benchmark for Taipei's investment market.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = NT$30.38

Sector	District	Property	Approximate Price (million) NT$	US$
Retail	Songshan	Asiaworld Shopping Mall	3,717	122
I/O	Niehu Technology Park	Deutsche Bank Neihu Tech. Building	2,100	69
Hotel	Songshan	Crowne Plaza Hotel	2,100	69
I/O	Neihu Technology Park	Taiyo Technology Plaza Building B	1,377	45

THAILAND — BANGKOK

Investment in land and hotels in major tourist destinations such as Phuket continued in the first quarter of 2008. Asia Partnership Fund Group (APF) acquired the 48-room Zeavola Resort in Phi Phi Island, greater Phuket, from HTR Corporation, a subsidiary of SET-listed Sino-Thai Engineering and Construction. The total value of the acquisition was THB 630 (US$20.01) million. APF will invest an additional THB 26 million (US$820,000) to develop four pool villas by the end of the year. Mai Thon Island, a private island located south of Phuket, was purchased for THB 765 (US$24.29) million by a private investor.

Australian-based Macquarie Global Property Advisors, invested THB 273 (US$8.67) million to take a 24.9% stake in a local real estate company, Siam2You Plc, which plans to invest in the hospitality and luxury condominium sectors.

A new property fund, PFFUND (Property Perfect Property Fund) was listed on the Stock Exchange of Thailand in late March. It has invested THB 510 (US$16.19) million in two housing projects in Bangkok; Perfect Masterpiece Ekamai-Ramindra and Perfect Place Ramkhamhaeng-Suvarnnabhumi, with a combined total of 64 luxury housing units. The fund will receive its main income from the leasing of the invested assets. Property Perfect, the former owner, will be the Property Manager.

Property funds have been enjoying the positive effects of several changes in regulations, including the lifting of the 30% reserve requirement on short-term inflows of overseas capital imposed in 2006, and a change permitting them to leverage up to 10% of their total net asset value.

In order to stimulate the property market, the new government has also approved several temporary tax incentives, reducing the Special Business Tax (SBT) from 3% to 0.1% for property transactions, transfer fees from 2% to 0.01% and lowering the mortgage registration fee from 1% to 0.01%. These changes took effect on April 1and will be effective for one year.

MAJOR TRANSACTIONS - Q1 2008 EXCHANGE RATE: US$1 = THB 31.485

Sector	District	Property	Approximate Price (million) THB	US$
Hotel & Land	Mai Thon Island, Phuket	Mai Thon Island	765	24
Hotel	Phi Phi Island, Phuket	Zeavola Resort	630	20
Residential	Kaset Nawamin & Minburi	Perfect Master Piece, Perfect Place	510	16
Office Condo	Bangna, Bangkok	The Nation Tower	undisclosed	undisclosed

Transaction prices are reported according to the best of our knowledge but we do not guarantee their accuracy. Discrepancies may result due to rounding.

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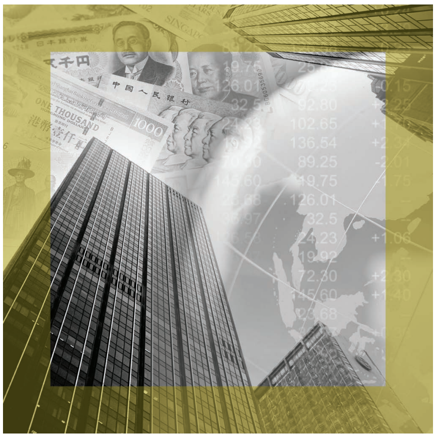
Q1 2008



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