

REVIEW OF OPERATIONS

(1) LAND BANK

Total land bank of 15 million square feet

The Group's land bank of 15 million square feet gross floor area comprises a well-diversified portfolio of properties: commercial (37%), residential (34%), industrial (15%), car parks (10%) and hotels (4%). Most of the residential developments currently under construction are located in popular locations throughout the territory. These developments are conveniently served by various types of transportation, including railway and subway lines, and offer sports, recreational and entertainment facilities in their residential clubhouses. Enhanced by favourable interest rates and mortgage terms offered by banks, the Group continued to experience steady growth in sales activities throughout the year.

During the financial year, the Group acquired four plots of land which are located in fast growing new towns thereby increasing the land bank by about 1,020,580 square feet of attributable gross floor area. In August 2001, the Group acquired one piece of land with attributable gross floor area of 72,096 square feet in Yuen Long for residential development. The Group's commercial buildings and car parks are mainly held for long-term investment, generating a stable stream of recurrent income for the Group. The following table shows the breakdown of the Group's land bank as at 30th June 2001.

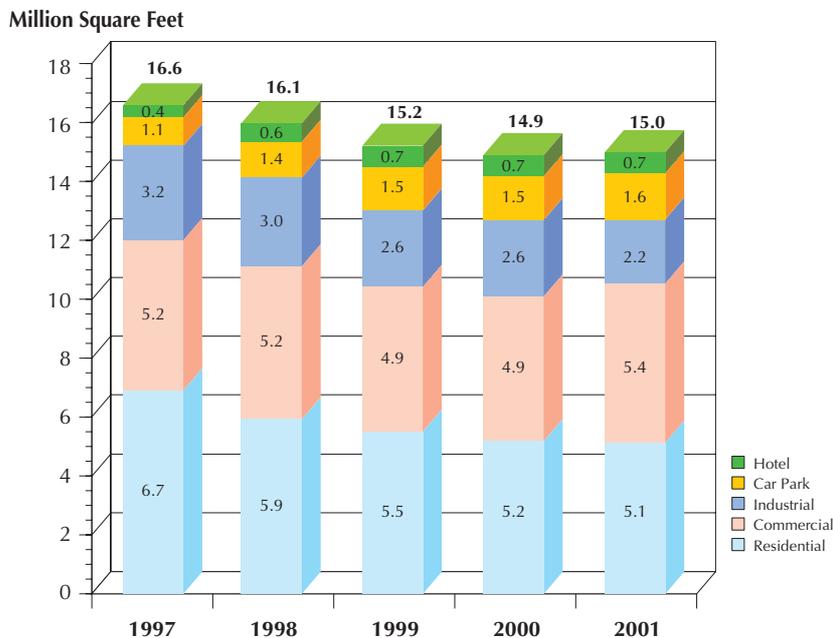
	By Location and Usage					Total Area	Percentage
	Commercial	Residential	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
Hong Kong Island	1,059,745	922,030	—	53,602	165,506	2,200,883	15%
Kowloon	2,074,324	1,013,676	1,927,999	391,452	—	5,407,451	36%
New Territories	1,366,173	1,876,728	299,079	1,095,768	—	4,637,748	31%
China and Singapore	948,666	1,284,072	—	—	466,423	2,699,161	18%
Total:	5,448,908	5,096,506	2,227,078	1,540,822	631,929	14,945,243	100%
Percentage	37%	34%	15%	10%	4%	100%	

REVIEW OF OPERATIONS *(Continued)*

(1) LAND BANK *(Continued)*

	By Status and Usage					Total Area	Percentage
	Commercial	Residential	Industrial	Car Park	Hotel		
<i>(Gross Floor Area in Square Feet)</i>							
Development for Sale	934,400	3,818,314	225,396	131,450	—	5,109,560	34%
Development for Investment	631,213	166,842	—	—	—	798,055	5%
Completed Properties for Sale	128,170	778,942	461,568	—	—	1,368,680	9%
Completed Investment Properties	3,755,125	332,408	1,540,114	1,409,372	631,929	7,668,948	52%
Total:	5,448,908	5,096,506	2,227,078	1,540,822	631,929	14,945,243	100%
Percentage	37%	34%	15%	10%	4%	100%	

Land Bank – Breakdown by Usage
(As at 30th June)



REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE YEAR

Park Avenue (42.5% owned)

18 Hoi Ting Road, MTR Olympic Station, Kowloon

In August 1996, the consortium in which the Group has 42.5% interest was awarded the development right of Site B of MTR Olympic Station. Shareholders of the consortium include Sino Land (42.5%), Kerry Property Group (32.5%), Sun Chung Estate (15%), and China Overseas Land Group (10%). The entire project in Site B consists of 2.4 million square feet of residential area and 511,287 square feet of retail mall. The development of the residential area is divided into two phases. The first phase, named Park Avenue (Tower 6 - 10) has five residential towers with a total of 1,624 units. The pre-sale launch in November 1999 was met with an encouraging market response, resulting in sales of substantial units at favourable prices. The project was completed in February 2001. The second phase is named Central Park (Tower 1 - 5), scheduled for completion in the fourth quarter of 2001.

Island Resort (40% owned)

28 Siu Sai Wan Road, Chai Wan, Hong Kong

This large scale project is jointly developed by Sino Land (40%), the Ng Family (40%), Sun Chung Estate (10%), China Everbright Group (5%) and Vicwood Group (5%). Island Resort is situated on the waterfront of Siu Sai Wan. The development will yield over 2.9 million square feet of residential accommodation, retail mall and a public transport terminus. A total of 3,098 flats were built. The project was completed in April 2001. The pre-sale was launched in February 2000 and market response was favourable. The retail space has been substantially pre-leased and has opened for business in August 2001.

REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE YEAR *(Continued)*

148 Electric Road (100% owned)

Electric Road, North Point, Hong Kong

This is a prime commercial development near Fortress Hill MTR Station and the Cross-Harbour Tunnel. The development caters to a wide range of industries but ideally to tenants from the insurance, advertising, service and trading industries. It is within walking distance from five international hotels, including the City Garden Hotel. The project yields an attributable gross floor area of 197,400 square feet. The Occupation Permit was issued in December 2000.

The Centrium (70% owned)

60 Wyndham Street, Central, Hong Kong

This commercial development is located near Lan Kwai Fong, the fabulous 'expatriate quarter' well known for its cosmopolitan lifestyle and festive entertainment and dining activities. The development, completed in June 2001, provides 255,911 square feet of international-class commercial space. Its retail mall will enhance and complement the flamboyant atmosphere and dining accommodations nearby.

The Fullerton Singapore and One Fullerton (100% owned)

1 Fullerton Square and 1 Fullerton Road, Singapore

The Fullerton Singapore, characterized by its unique heritage building structure and contemporary interior design, is located in the heart of the Singapore Central Business District, and situated on the seafront. It was re-developed into a prestigious, world-class, 5-star hotel with 400 rooms and suites, linked by a subway to its commercial complex on the seafront. The project was completed in December 2000 and very well received.

REVIEW OF OPERATIONS *(Continued)*

(3) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES

Central Park and Olympian City 2 (42.5% owned)

18 Hoi Ting Road, MTR Olympic Station, Kowloon and Olympian City Site B, Kowloon Inland Lot No. 11090

These two properties are part of the developments on Site B of MTR Olympic Station. The Development is built on a massive section of land in western Kowloon reclaimed from Victoria Harbour. This development is only 5 minutes from Central and about 18 minutes to Chek Lap Kok airport on the MTR's Tung Chung Line.

Site A (consisting of three office towers), Site C (consisting of Island Harbourview residential towers, Olympian Tower and Olympian City 1 retail mall) and the first phase of Site B (Park Avenue residential towers) have already been completed.

The second phase of Site B (consisting of the 1,312-unit Central Park residential towers and the 511,287 square feet Olympian City 2 retail mall) will be completed during the fourth quarter of 2001. Substantial part of the retail mall has been pre-leased.

Sky Horizon (100% owned)

35 & 37 Cloud View Road, North Point, Hong Kong

This site is located in the prestigious residential area of Braemar Hill, close to the shopping district of Causeway Bay and the Central Business District. This residential development will yield 108 units of high-quality-finish flats with every unit offering a panoramic view of Victoria Harbour. Construction is expected to complete by October 2002.

Grand Regentville (100% owned)

9 Wo Mun Street, Fanling, New Territories
Fanling Sheung Shui Town Lot No. 195

This development, comprising 379,883 square feet, will yield 662 residential units, 69,018 square feet of commercial space and 131,450 square feet of parking space. Construction will be completed in March 2003.

REVIEW OF OPERATIONS *(Continued)*

(3) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES

(Continued)

Horizon Place (100% owned)

100 Kwai Luen Road, Kwai Chung, New Territories
Kwai Chung Town Lot No. 480

Located in the fast growing district of Kwai Chung, the development will be well served by a wide range of public transportation. This development will yield 372 residential units with a total gross floor area of 205,580 square feet. The development will be completed in September 2002.

Ocean View (100% owned)

Ma On Shan Area 77, Sha Tin Town Lot No. 481, New Territories

The site is located in one of the fast growing new towns and can be accessed by various transport modes including the upcoming Ma On Shan Rail scheduled for completion in 2004. Ocean View is the first 'green building' incorporating a number of 'green' features like balconies, material recovery room on each floor, carbon dioxide-controlled ventilation, natural ventilated car parks, outdoor solar lighting systems in addition to a vast area of outdoor greenery and landscaped podium garden. Upon completion in the third quarter of 2003, the development will provide about 911 residential flats and approximately 110,000 square feet of clubhouse facilities.

King's Park Site (30% owned)

Junction of Princess Margaret Road and Wylie Road,
Kowloon Inland Lot No. 11118, King's Park, Kowloon

Located in one of the prime residential areas in Kowloon, the site will be developed into a top class luxurious residential estate with 700 flats and a 3-storey clubhouse/car park podium. The development is scheduled for completion in the first quarter of 2004.

REVIEW OF OPERATIONS *(Continued)*

(3) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES

(Continued)

Tsuen Wan Town Lot 404 and 395 Sites

(50% and 25% owned respectively)

Tsuen Wan Area 40, Lot No. 404 and Lot No. 395, New Territories
These two sites are located on the mid-levels of Tai Mo Shan overlooking a panoramic vista incorporating of Tsuen Wan, Tsing Ma Bridge and Kap Shui Mun. Upon completion in 2003, the developments will provide in excess of 1 million square feet of residential space with about 980 luxurious flats. The developments are scheduled for completion in September 2003.

Sham Tseng Site (50% owned)

Tsuen Wan Lot No. 214 in DD387, New Territories

The development has about 264 residential units in two towers with a total gross floor area of 177,335 square feet, overlooking the panoramic view of Ma Wan Channel and Tsing Ma Bridge. Completion is expected to be in December 2003.

Kam Tsin Lodge (100% owned)

Sheung Shui, New Territories DD92L2543

This unique low-density development is located on a scenic Sheung Shui country estate adjacent to The Hong Kong Golf Club. It consists of 48 quality detached country style houses with 72 car-parking spaces. The development is expected to be completed in May 2003.

Commercial Square (50% owned)

12 Kai Shun Road, Kowloon Bay, Kowloon NKIL5846

This office redevelopment project located next to the East Kowloon Expressway was formerly known as Ahafa Cargo Centre. On completion, the project will yield an attributable gross floor area of 413,916 square feet. The targeted completion date is December 2004.

REVIEW OF OPERATIONS *(Continued)*

(4) INVESTMENT PROPERTIES

The Group's completed investment portfolio increased to 7.7 million square feet in the current financial year from 6.6 million square feet in the last financial year, comprising properties of diversified usage:

7.7 million square feet of investment properties with diversified uses

Use	Percentage
Office/Commercial	49%
Industrial	20%
Car parks	19%
Hotels	8%
Residential	4%

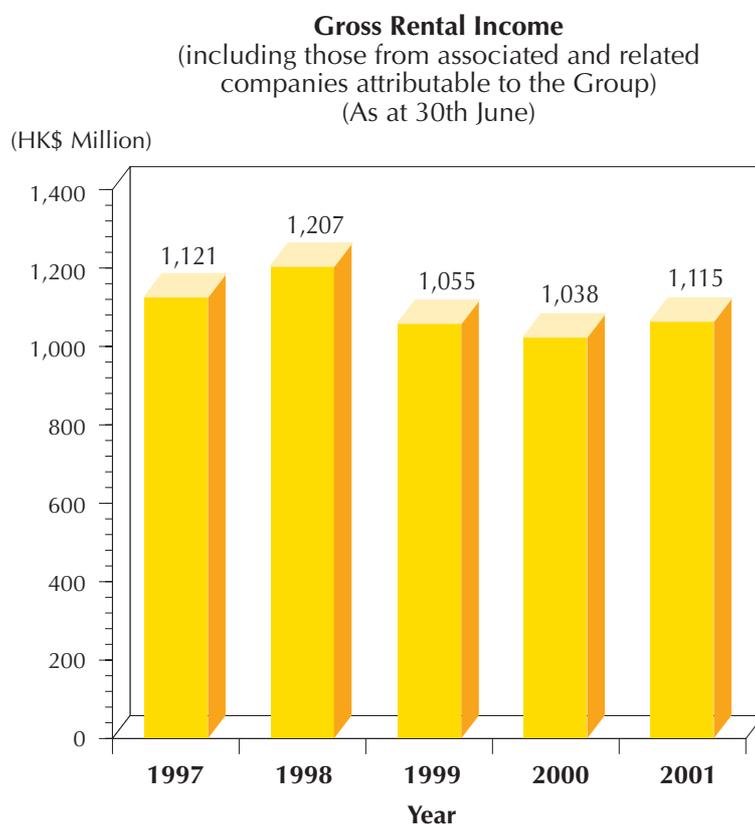
The Group's investment property portfolio has maintained high occupancy rates throughout the year. Including contributions from associated and related companies, the total gross rental revenue has increased by 7.4% reaching HK\$1,115 million for this financial year as compared to HK\$1,038 million in the last financial year.

The Group's investment property portfolio, including its attributable share in associated companies, is as follows:

	Commercial	Industrial	Car Park	Hotel	Residential	Total Area
	<i>(Gross Floor Area in Square Feet)</i>					
Development for Investment	631,213	—	—	—	166,842	798,055
Completed Investment Properties	<u>3,755,125</u>	<u>1,540,114</u>	<u>1,409,372</u>	<u>631,929</u>	<u>332,408</u>	<u>7,668,948</u>
Total:	<u>4,386,338</u>	<u>1,540,114</u>	<u>1,409,372</u>	<u>631,929</u>	<u>499,250</u>	<u>8,467,003</u>

REVIEW OF OPERATIONS *(Continued)*

(4) INVESTMENT PROPERTIES *(Continued)*



(5) HIGHLIGHTS OF INVESTMENT PROPERTIES

Central Plaza (10% owned)

18 Harbour Road, Wan Chai, Hong Kong

Central Plaza, a 78-storey intelligent office building, with a full view of the Victoria Harbour, is recognized as the one of the tallest buildings in Asia and the tallest reinforced concrete building in the world. This Grade-A office tower has a gross floor area of approximately 1.4 million square feet. It is located next to the Hong Kong Convention & Exhibition Centre. Its prestigious location and advanced technical facilities have attracted many global corporate tenants. The building was completed in October 1992 and is fully let.

REVIEW OF OPERATIONS *(Continued)*

(5) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

China Hong Kong City (25% owned)

33 Canton Road, Tsim Sha Tsui, Kowloon

China Hong Kong City, a mixed-use development of 2.6 million square feet incorporating retail, office, hotel, bus and ferry terminal accommodation, is located on the waterfront of western Tsim Sha Tsui. Due to the unique golden curtain wall cladding and the port facilities for the China Ferry Terminal, it is known as the 'Golden Gateway to China'. With continued growth of traffic flow between Hong Kong and China's coastal cities, the pedestrian flow in the complex has experienced reasonable growth, underpinning good business opportunity for the retail tenants. The complex enjoys an overall satisfactory occupancy.

Tsim Sha Tsui Centre (45% owned)

Salisbury Road, Tsim Sha Tsui East, Kowloon

Tsim Sha Tsui Centre, located centrally in Tsim Sha Tsui East, is surrounded by several international-class hotels. The building has become a popular office premise for trading and manufacturing companies. The occupancy rate for this property is satisfactory.

Tuen Mun Town Plaza, Phase I (100% owned)

1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun, New Territories

In the thirteen years since its completion, Tuen Mun Town Plaza has grown from a major regional mall to become the retailing hub in the North-West New Territories. With direct access to the light rail system and bus terminus, the shopping mall draws substantial pedestrian traffic from the transit system that links the western New Territories. The complex is fully leased with a stable rental income contribution to the Group.

Conrad Hong Kong (30% owned)

Pacific Place, 88 Queensway, Hong Kong

This five-star, international-class hotel is located on top of a major retail-shopping complex on the Hong Kong Island side. The hotel is managed by one of the most well known international hotel operators. Its excellent location and world-class standard of service have made Conrad one of the most favoured hotels in the region. The hotel has achieved a consistently high occupancy throughout the year.

REVIEW OF OPERATIONS *(Continued)*

(5) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

Hong Kong Pacific Centre (100% owned)

28 Hankow Road, Tsim Sha Tsui, Kowloon

Located in the centre of Tsim Sha Tsui's bustling retail neighbourhood, this commercial development, which comprises a high-rise modern office tower and a shopping centre podium, has a total gross floor area of 232,606 square feet. Most of the shops enjoy extensive street frontage with a heavy pedestrian flow from nearby Nathan Road.

Pacific Plaza (100% owned)

418 Des Voeux Road West, Hong Kong

Pacific Plaza is situated in the popular Western district near the Western Harbour Tunnel, and will incorporate a future MTR exit on ground level. This attractive commercial office building consists of 23 storeys, providing 131,960 square feet gross floor area of space and a 32,500-square-foot shopping podium.

Omega Plaza (100% owned)

32 Dundas Street, Kowloon

Completed in 1993 and situated in the heart of Mongkok, Kowloon's most vibrant retail and business area, this property has 19 storeys of office and a 4-storey shopping podium.

One Capital Place (100% owned)

18 Luard Road, Wan Chai, Hong Kong

This attractively designed commercial project, located in the heart of the revitalized suburb of Wan Chai, is close to the Wan Chai MTR Station. A high occupancy rate has been maintained since its completion.

Cameron Plaza (100% owned)

23 Cameron Road, Tsim Sha Tsui, Kowloon

This Ginza-style commercial building is located within one of Kowloon's busiest retail and tourist areas. With a high proportion of retail tenants, the building enjoys satisfactory occupancy.

REVIEW OF OPERATIONS *(Continued)*

(5) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

Marina House (100% owned)

68 Hing Man Street, Shau Kei Wan, Hong Kong

Located in one of the Island's busiest districts, the commercial development provides 119,298 square feet of office space over a shopping/restaurant/office podium and a car-parking basement.

The Hacienda (100% owned)

90 Repulse Bay Road, Hong Kong

This exclusive residential townhouse development set in the charming enclave of Repulse Bay, has 14 luxurious apartments and 19 duplexes with private gardens or roof terraces, 49 car parks and a swimming pool. It has remained a highly popular development for corporate tenants since its completion.

(6) CHINA MARKET

The Group has adopted a prudent policy and focused approach to managing its investments in Mainland China following the successful completion and marketing of the first development, Beverly Garden in Xiamen. The Group has eight major developments at prime locations in Xiamen, Fuzhou and Guangzhou with a total developable and attributable gross floor area of 2.1 million square feet. Investments in the Mainland are mainly residential developments that will be constructed in phases to cater to the needs of the respective markets.

The overall land cost and carrying cost of these projects are low. Hence, the management believes that these projects will generate reasonable earnings in the long term.

REVIEW OF OPERATIONS *(Continued)*

(7) CORPORATE FINANCE AND PUBLIC AFFAIRS

Strong balance sheet position

With a steady recurrent income base from the property investment portfolio and proceeds from the sales of units in Park Avenue in Olympian City Site B, Island Harbourview in Olympian City Site C, Island Resort, The Arcadia, Sino Centre and all units in The Royal Cliff, the Group has maintained a sound financial position with healthy cash-flow and gearing ratio of 26%. The Group has retired a total of HK\$2.3 billion debts during the year.

The Group continues to uphold its commitments in maintaining a high degree of corporate transparency as well as good communication with banks and investors. The Corporate Finance and Public Affairs Departments have used different channels including meetings with investors and analysts, site visits and the web site (www.sino-land.com) to disseminate information on the Group's latest development. During the year, management went on a number of roadshows in Europe, Japan and Singapore to meet with investors.

Sino Club has over 42,000 members

Sino Club, established in July 1997, has now grown to a membership base of over 42,000 members. To enhance communication between the Group and its customers including property owners, residents and tenants, as well as the general public, the Club has bridged the gap with its members through its newsletter, web site and e-mail. Efforts have also been put into increasing focus on web-based communications so as to generate more effective communications and help protect the environment by saving paper at the same time. The members are offered a wide range of shopping and hospitality incentives at the Group's and Group-related malls and hotels in Hong Kong and Singapore, with exclusive home purchase privileges. They are also invited to priority previews of show flats and activities exclusively arranged for them. With more residential units and commercial space of the Group's properties to be marketed, Sino Club will see a further increase in its membership.

The Group regards staff training and development as one of the important management objectives. During the year, the Group has organized various types of training programmes for its employees, to enhance staff development and productivity. The Group, in embracing the new information era, has arranged a broad range of seminars and training in information technology to keep its staff abreast of the latest information technology developments and become familiarized with new computer applications. Further, the Group has utilized many different channels including an Intranet and computer network to facilitate information flow and improve the efficiency of administrative management.

REVIEW OF OPERATIONS *(Continued)*

(8) PROPERTY MANAGEMENT

As a vertically integrated company, the Group provides property management, cleaning, security, building maintenance and related services through its wholly-owned subsidiaries, Sino Estates Management Limited, Sino Estates Services Limited, Best Result Cleaning Services Limited, Sing-Ho Security Services Limited and its associated company, Sino Parking Services Limited. The property management portfolio will further expand in tandem with the accelerated property development programme of the Group. Currently, it manages about 129 estates including Sino Group's properties, other private estates and Government's shopping malls with an aggregate gross floor area of over 41.9 million square feet.

During 2000/2001, rapid progress was achieved in several areas. A comprehensive training programme covering all relevant aspects of property management was introduced for property managers and is now provided on a regular basis. The management of the seven most important clusters of properties, namely, Tsim Sha Tsui Centre, Tuen Mun Town Plaza, Pacific Palisades, Hong Kong Gold Coast, China Hong Kong City, Olympian City and Island Resort has been intensified through the appointment of Centre Managers. To cope with the expansion of the property management operation and to meet the rising expectations of customers for quality service, the Group will continue to upgrade its services and strive to achieve quality property management services. In October 2000, Sino Estates Management Limited was accredited ISO9002.

To upgrade service and maintain customers' satisfaction