

## REVIEW OF OPERATIONS

### (1) LAND BANK

**Total land bank of 27.8 million square feet**

As at 30th June, 2005, the land bank held by the Sino Group increased by 30.5% to 27.8 million square feet from 21.3 million square feet held at the end of the previous financial year, as the result of new sites the Group has acquired for the purposes of quality residential and commercial developments. The Group's land bank now comprises a well-diversified portfolio of properties: residential (58%), commercial (25%), industrial (9%), car parks (6%) and hotels (2%). Most of the residential developments currently under construction are located in popular locations throughout the territory and are conveniently served by various modes of transportation including railway and subway lines.

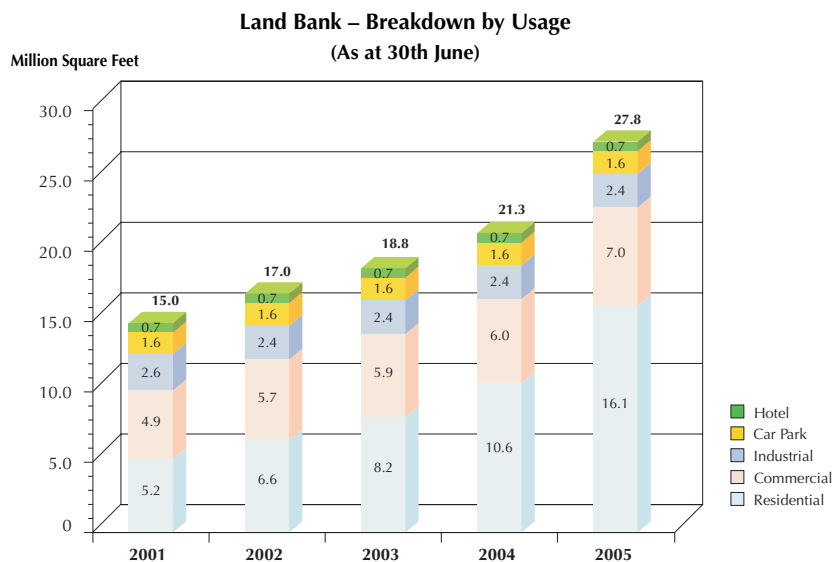
During the financial year 2004/2005, the Group acquired ten plots of land with a total attributable gross floor area of approximately 8 million square feet for residential and commercial developments. After taking into account of the attributable gross floor area sold in relation to projects newly completed during the financial year 2004/2005 namely Residence Oasis, Oceania Heights, The Cairnhill, Anglers' Bay, Caldecott Hill and Colonnades Court as well as previously completed projects such as Island Resort, Island Harbourview, Central Park, Park Avenue, Ocean View, The Cliveden, Parc Palais and other properties, the land bank of the Group recorded a net increase of approximately 6.5 million square feet of attributable gross floor area.

The Group's commercial and industrial buildings and car parks are held mainly for long-term investment, thereby generating a stable stream of recurrent income for the Group. The following table shows the detailed breakdown of the Group's land bank as at 30th June, 2005.

	<b>By Status and Usage</b>					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
Properties under Development	15,475,576	2,298,599	-	-	38,750	17,812,925	64%
Completed Investment Properties	245,743	4,714,488	2,157,491	1,557,664	631,929	9,307,315	33%
Completed Properties for Sales	356,760	40,738	332,122	-	-	729,620	3%
<b>Total</b>	<b>16,078,079</b>	<b>7,053,825</b>	<b>2,489,613</b>	<b>1,557,664</b>	<b>670,679</b>	<b>27,849,860</b>	<b>100%</b>
<b>Percentage</b>	<b>58%</b>	<b>25%</b>	<b>9%</b>	<b>6%</b>	<b>2%</b>	<b>100.0%</b>	
	<b>By Location and Usage</b>					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
New Territories	4,973,006	1,924,143	644,007	1,112,610	-	8,653,766	31%
Kowloon	1,121,565	2,654,615	1,845,606	391,452	-	6,013,238	22%
Hong Kong Island	321,027	1,139,890	-	53,602	165,506	1,680,025	6%
China	9,662,481	1,233,001	-	-	38,750	10,934,232	39%
Singapore	-	102,176	-	-	466,423	568,599	2%
<b>Total</b>	<b>16,078,079</b>	<b>7,053,825</b>	<b>2,489,613</b>	<b>1,557,664</b>	<b>670,679</b>	<b>27,849,860</b>	<b>100%</b>

## REVIEW OF OPERATIONS *(Continued)*

### (1) LAND BANK *(Continued)*



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

#### **Residence Oasis** (60% owned)

TKOTL 24, MTR Hang Hau Station, Tseung Kwan O, New Territories

The Group was awarded the tender to develop a total of approximately 1.5 million square feet residential-cum-shopping mall project over the MTR Hang Hau Station in June 2002. The project comprises 2,130 residential units in 6 towers, complemented by a residential clubhouse of some 180,000 square feet. The clubhouse, which offers a wealth of leisure and sports facilities such as an 80 metres outdoor swimming pool, a 400 metres long jogging trail and barbecue facilities, is highlighted with a children's play area with an innovative design concept. Named 'Kids Town', the play area is divided into different sections, each of which has its own distinctive features and facilities that help to foster a child's all-rounded interests. To tour around the 'Town', mini electrical vehicles specially catered for the play area are also available for hire with parking spaces. The project has been well received by the market since its initial launch in 2003, and virtually all units have been sold. Its occupation permit was obtained in December 2004.

## REVIEW OF OPERATIONS *(Continued)*

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

#### **Oceania Heights** (100% owned)

TMTL 432, Hoi Chu Road, Tuen Mun, New Territories

Located in one of the fastest growing new towns of New Territories, the development is close to major traffic arteries and can be conveniently reached by various transport means including KCR West Rail. The existing local Light Rail system provides a convenient link with new towns within North West New Territories. The site is well served by public recreational facilities, schools and is approximately a 10-minute walk from Tuen Mun Town Plaza, Phase I. The project offers 544 residential flats and 29,082 square feet of retail space. Pre-sale of residential units started in July 2003. The occupation permit was obtained in September 2004. All of the residential units have now been sold. The retail space has been retained for investment purpose and occupancy was satisfactory.

#### **The Cairnhill** (25% owned)

Tsuen Wan Area 40, Lot No. 395, New Territories

This site is located at the mid-levels of Tai Mo Shan and commands a panoramic view of Tsuen Wan, the Tsing Ma Bridge and Kap Shui Mun. The development affords approximately 827,637 square feet of gross floor area of residential space comprising 770 luxurious flats. All of the residential units have been sold. The HKSAR Government gave its occupation permits for Phase I and II in September and October 2004 respectively.

#### **The Royal Oaks** (100% owned)

8 Kam Tsin South Road, Sheung Shui, New Territories, DD92 L2543

This unique low-density development is located on a scenic Sheung Shui countryside adjacent to The Hong Kong Golf Club and HKJC Beas River Country Club. The development consists of 44 quality detached country style houses. The occupation permit of this project was obtained in December 2004.

#### **St Andrews Place** (100% owned)

38 Kam Chui Road, Beas Stable, Sheung Shui, New Territories, DD94 L943

This unique low-density development, which comprises 26 quality detached houses, each with individual car-port, is situated in an exquisite area of the New Territories close to the Hong Kong Golf Club and HKJC Beas River Country Club. Occupation permit was obtained in June 2005.

## REVIEW OF OPERATIONS *(Continued)*

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

#### **Anglers' Bay** (50% owned)

Lot No. 214 in DD387, Sham Tseng, New Territories

The development consists of some 248 residential units in 2 towers with a total gross floor area of 177,335 square feet, affording a panoramic view of the Ma Wan Channel and Tsing Ma Bridge. Pre-sale started in July 2003 and occupation permit was issued in October 2004. Approximately 99% of the residential units have been sold.

#### **Caldecott Hill** (33.3% owned)

NKIL 6378, 2 and 4 Caldecott Road, Piper's Hill, Kowloon

This redevelopment project, located at the mid-levels of Piper's Hill, will provide 88 luxurious low-rise and low-density residential apartments with views overlooking the Kowloon Peninsula. The project, was marketed in March 2004 with 81% of the units sold. Occupation permit was issued in November 2004.

### (3) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED IN PREVIOUS YEAR

#### **Ocean View** (100% owned)

1 Po Tai Street, Ma On Shan, New Territories

Located in one of the fastest growing new towns and easily accessible by various means of public transport including the Ma On Shan Rail link, Ocean View incorporates a number of environmentally friendly features such as balconies, a material recovery room on each floor, naturally ventilated car parks and outdoor solar lighting systems. The tastefully landscaped garden area located on the podium provides a relaxing ambience. The project, which was completed in August 2003, provides a total of 911 residential flats and approximately 110,000 square feet of indoor and outdoor clubhouse facilities. All of the residential units have now been sold.

#### **Imperial Villas Phase I and II** (100% owned)

1 & 8 Ping Chuk Lane, Ping Shan, Yuen Long, New Territories

Located in Ping Shan adjacent to the Light Rail's Tong Fong Station, the development comprises a low-rise residential compound offering a total of 298 flats. Occupation permits for Phase I and II were obtained in October and November 2003 respectively. The projects have completely been sold out.

## REVIEW OF OPERATIONS *(Continued)*

### (3) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED IN PREVIOUS YEAR *(Continued)*

#### **The Cliveden** (50% owned)

98 Route Twist, Tsuen Wan Area 40, New Territories

Commanding panoramic views of Tsuen Wan, the Tsing Ma Bridge and Kap Shui Mun, the project is located in the mid-levels of Tai Mo Shan. Occupation permit for this project was obtained in September 2003. The development will provide 225,075 square feet of residential space comprising 210 luxurious flats. Over 98% of the units have been sold.

#### **Parc Palais** (30% owned)

18 Wylie Road, King's Park, Kowloon

This luxurious residential estate consists of 700 flats and a 3-storey clubhouse/car park podium and is located in King's Park, one of the most sought after residential areas of Kowloon. The development was completed in February 2004 and approximately 92% of the total number of residential units has already been sold by now since it was launched onto the market in August 2003.

### (4) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES

#### **Mount Beacon** (33.3% owned)

NKIL 6196, Junction of Cornwall Street and Tat Chee Avenue, Kowloon Tong, Kowloon

The site is close to the City University of Hong Kong and within easy walking distance from the MTR and KCR Kowloon Tong Station. Mount Beacon offers 197 residential flats and 22 luxurious townhouses with a full range of clubhouse facilities. The project was marketed in July 2005 and received encouraging response from home buyers. The development is scheduled for completion in April 2006.

#### **One SilverSea** (100% owned)

KIL 11158, Hoi Fai Road, West Kowloon

The site is located at the waterfront of West Kowloon Reclamation area. It is adjacent to Island Harbourview and is about a 5-minute walk from the MTR Olympic Station. Upon the scheduled completion in April 2006, approximately 700 residential flats and 112,483 square feet of commercial space will be provided. This project is expected to be marketed in the financial year 2005/2006.

## REVIEW OF OPERATIONS *(Continued)*

### (4) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES *(Continued)*

#### **Tsuen Wan Town Centre Redevelopment** (100% owned) TWTL 398, Tai Ho Road/Yeung Uk Road, Tsuen Wan

The Group received a joint venture contract from the Urban Renewal Authority for the redevelopment of the Tsuen Wan Town Centre site in July 2002. The site is opposite to the Tsuen Wan City Hall and about a 8-minute walk from the MTR Tsuen Wan Station and a 5-minute walk from Tsuen Wan West Station on KCR West Rail. Approximately 1,466 residential flats in 5 towers with a total gross floor area of approximately 1.15 million square feet and over 245,000 square feet of retail space are expected to be built. This project is expected to be completed in December 2006.

#### **Ho Tung Lau Site** (100% owned) STTL 470, Shatin, New Territories

The Group was awarded the development rights of Ho Tung Lau from KCRC in November 2002. The site is next to the KCRC's office in Fo Tan and opposite to Shatin Race course. It is only a 1-minute walk from the KCR Fo Tan Station. Upon its completion which is scheduled in October 2007, the project will yield some 1.3 million square feet of residential space providing approximately 1,330 units in 10 towers and 21,528 square feet of retail space.

#### **KCR Wu Kai Sha Station Site** (100% owned) STTL 530, Wu Kai Sha, New Territories

On 24th June 2005, the Group was awarded the tender by Kowloon-Canton Railway Corporation to develop a 367,601 square feet site atop of the KCR Wu Kai Sha Station. Upon completion, the project will yield a total of 1.8 million square feet of residential space and 32,292 square feet of retail space. It is anticipated that a total of approximately 2,528 high quality residential units with special features and design will be built on this project over a period of 3 to 4 years. The foundation and piling works have been completed.

#### **53 Conduit Road, Hong Kong** (100% owned) The remaining portion of Inland Lot No. 2138 and Inland Lot No. 2613, Hong Kong Island, Hong Kong

In August 2004, the Group successfully won a tender from a private landlord to redevelop this prime residential site. This luxury residential development will yield a total of 64,957 square feet of gross floor area. Design plan is being carried out. Construction is expected to be completed in the financial year 2007/2008.

## REVIEW OF OPERATIONS *(Continued)*

### (4) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES *(Continued)*

#### **464-474 Castle Peak Road, Sham Shui Po, Kowloon** (100% owned) New Kowloon Inland Lot No. 1175-1177, Kowloon

In August 2004, the Group entered into a sale and purchase agreement for a site of approximately 6,449 square feet located in 464-474 Castle Peak Road, Sham Shui Po, Kowloon. The site will be used for residential and retail developments. The project is only a 5-minute walk from MTR Lai Chi Kok Station. A total of approximately 48,364 square feet of gross floor area with 80 residential units will be built. The project is expected to be completed in June 2007.

#### **Fuk Wing Street and Fuk Wa Street, Sham Shui Po, Kowloon** (100% owned) New Kowloon Inland Lot No. 6425, Kowloon

In September 2004, the Group successfully won the joint development contract from Urban Renewal Authority to develop the site at Fuk Wing Street/Fuk Wa Street in Sham Shui Po, which is only a 2-minute walk from the MTR Sham Shui Po Station. On completion, the development will yield a total of approximately 134,044 square feet of gross floor area. The site will be developed for residential and retail purposes. Approximately 155 units will be built for this project. The project is scheduled for completion in September 2007.

#### **Yeung Uk Road, Tsuen Wan, New Territories** (100% owned) TWTL 394, Tsuen Wan, New Territories

The Group was awarded the development rights by Urban Renewal Authority to redevelop a site in Yeung Uk Road in Tsuen Wan in April 2004. The development will be well served by a wide range of public transportation namely KCR West Rail which is only a few minutes walk from the KCR Tsuen Wan West Station as well as MTR Tsuen Wan Station. Upon completion, this development will offer approximately 287,000 square feet of residential space and 192,000 square feet of retail space. Approximately 243 units will be built on completion. Combining the residential and retail spaces of Tsuen Wan Town Centre Redevelopment project, it will create a shopping hub in the entire region. Construction will be completed in August 2008.

## REVIEW OF OPERATIONS *(Continued)*

### (4) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES *(Continued)*

**305 Castle Peak Road, Sham Shui Po, Kowloon** (100% owned)  
NKIL 939, Sham Shui Po, Kowloon

Acquired in October 2004, the site is located in Sham Shui Po area and it is about a 3-minute walk from MTR Cheung Sha Wan Station. The development affords approximately 110 residential units with a total gross floor area of 64,800 square feet. The project is scheduled for completion in January 2008.

**Ma Wo, Tai Po, New Territories** (100% owned)  
TPTL 179, Tai Po, New Territories

In November 2004, the Group entered into a sale and purchase agreement for an agricultural land of 63,603 square feet in Ma Wo, Tai Po, New Territories. The site will be used for residential development. Modification of the lease has been granted by the HKSAR Government.

**Junction of Sheung Yuet Road and Wang Chiu Road, Kowloon Bay, Kowloon** (100% owned)  
NKIL 6310, Kowloon Bay, Kowloon

The site was acquired through a land auction on 22nd February, 2005. Conveniently located near MTR Kowloon Bay Station and the East Kowloon Expressway and in a fast-growing commercial area, this commercial building will offer approximately 609,027 square feet of gross floor area upon completion in November 2008. It is anticipated that a mix of office and retail spaces will be built to optimise rental returns.

**256 Hennessy Road, Wan Chai, Hong Kong Island** (100% owned)  
HKIL 2769, Wan Chai, Hong Kong

The site was acquired in December 2004. It is conveniently located in a vibrant business area near MTR Wan Chai Station. The site is used for commercial development. Upon completion expected in June 2007, the building will contain 71,862 square feet of commercial space.



## REVIEW OF OPERATIONS *(Continued)*

### (4) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES *(Continued)*

#### **Honey Lake, Shenzhen, PRC** (50% owned)

Shenzhen Lot No. B303-0041, Futian, Shenzhen, PRC

The Group has formed a 50/50 joint venture with a renowned property company to acquire a prime site in Honey Lake, Shenzhen from a public land auction held in April 2004. The site will be developed into a residential area with approximately 66% of total gross floor area allocated for building high-rise blocks and 34% low-rise. It is expected that a total of approximately 1.4 million square feet of gross floor area will be built with approximately 700,000 square feet attributable to the Group. The project is scheduled for completion in December 2006. Foundation and piling works have been completed. It is expected that the project will be marketed in the financial year 2005/2006.

#### **Chengdu Site, Sichuan, PRC** (20% owned)

Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan, PRC

This site will be jointly developed with a renowned property company. Upon completion, the site will yield approximately 13 million square feet of residential, commercial and hotel spaces. The project will be completed in phases in and beyond December 2010.

#### **Zhangzhou Site, Fujian Province, PRC** (100% owned)

2004G12 North of Zhangxiang Road, Zhangzhou, Fujian Province, PRC

The site was acquired on 2nd June, 2005 with a substantial portion designated for residential development and a minor portion for commercial use. Upon completion which is expected to be by phases and beyond 2014, a total of approximately 5.3 million square feet of gross floor area will be built.

## REVIEW OF OPERATIONS *(Continued)*

**9.3 million square feet of completed investment properties with diversified uses**

### (5) INVESTMENT PROPERTIES

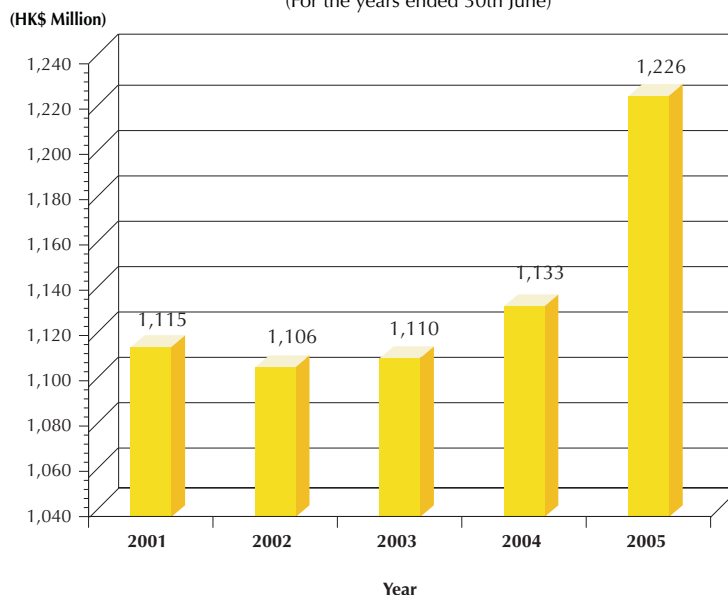
The Group's completed investment portfolio, including attributable share in associated companies, was 9.3 million square feet as at 30th June, 2005. The portfolio comprises properties of diversified usage:

Use	Percentage
Office/Retail	51%
Industrial	23%
Car parks	17%
Hotels	7%
Residential	2%

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 was increased to HK\$1,226 million for this financial year. The following table presents the breakdown of investment properties:

	By Usage					Total Area	Percentage
	Commercial	Industrial	Car parks	Hotels	Residential		
Completed Investment Properties	4,714,488	2,157,491	1,557,664	631,929	245,743	9,307,315	100%
Percentage	51%	23%	17%	7%	2%	100%	

**Gross Rental Income**  
(including those from associated and related companies attributable to the Group)  
(For the years ended 30th June)



## REVIEW OF OPERATIONS *(Continued)*

### (6) HIGHLIGHTS OF INVESTMENT PROPERTIES

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

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

In the seventeen years since its completion, Tuen Mun Town Plaza has grown from a major regional mall to the retail hub of the North-West New Territories. With direct access to the West Rail Tuen Mun Terminus, the local Light Rail system and bus terminus, the shopping mall draws substantial pedestrian traffic from the transport system that links the western New Territories. The complex is fully leased with a stable rental income contribution to the Group.

#### **Olympian City 1 and 2** (30% and 42.5% owned respectively)

11 Hoi Fai Road and 18 Hoi Ting Road, MTR Olympic Station, Kowloon

These two shopping malls are part of the developments which surround the MTR Olympic Station in West Kowloon, a massive section of land reclaimed from Victoria Harbour. Both Olympian City 1 and 2 are inter-connected and linked to the MTR Olympic Station and offer in excess of 650,000 square feet of retail spaces. This development is only 5 minutes from Central and about 18 minutes to Chek Lap Kok Airport on the MTR's Tung Chung Line.

Olympian City 2, with its 3 levels of shopping, 80,000 square feet of open piazza, a variety choices of retail outlets, a cinema and a bowling alley not only affords the consumer an excellent choice of entertainment and retail shopping, but also the opportunity to dine in a wide selection of restaurants. The mall is equipped with numerous plasma televisions, projector screens and a large outdoor LED screen which provide visual entertainment and other information to shoppers. To further enhance pedestrian flow and the popularity of the mall and promote customer loyalty, activities such as stage performance, lucky draw, family oriented events and joint promotions with movie companies and broadcasting media are organised on a regular basis. The mall achieved high occupancy throughout the year.

## REVIEW OF OPERATIONS *(Continued)*

### (6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

#### **Island Resort Mall** (40% owned)

28 Siu Sai Wan Road, Hong Kong

Island Resort Mall provides 189,190 square feet of retail space with about 80 retail outlets and restaurants over three levels and in excess of 1,200 car parks offering a rich array of consumer choice. The ground floor comprises an air-conditioned public transport interchange equipped with a state-of-the-art digital electronic information system. Served by different bus companies with more than 20 bus routes, it links popular locations across the territory. The mall not only features fine retail shopping opportunities but also the relaxed appeal of a spacious promenade where one can enjoy the view of the Victoria Harbour. The mall enjoys high occupancy.

#### **China Hong Kong City** (25% owned)

33 Canton Road, Tsim Sha Tsui, Kowloon

China Hong Kong City, a development of 2.6 million square feet incorporating retail, offices, traffic interchange and ferry terminal, is located on the waterfront of western Tsim Sha Tsui. The unique gold curtain wall cladding and passenger facilities for the China Ferry Terminal have led to it's being recognised as the 'Golden Gateway to China'. With a continued expansion in traffic between Hong Kong and China's coastal cities (including Macau), the pedestrian flow in the complex is enjoying encouraging growth, underpinning good business opportunities for office tenants and the retail tenants. The renovation of the retail space was completed in November 2003. The new retail ambience will reflect contemporary European style and inspiration. This new architectural design and finishes, coupled with a new and exciting retail mix, promises a new shopping experience for visitors, commuters and shoppers. With this facelift, pedestrian flow recorded strong growth and demand for the retail space showed improvement.

## REVIEW OF OPERATIONS *(Continued)*

### (6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

#### **The Fullerton Singapore and One Fullerton** (100% owned) 1 Fullerton Square and 1 Fullerton Road, Singapore

The Fullerton Singapore, characterised by its unique heritage building structure and contemporary interior design, is located in the heart of the Singapore Central Financial and Business District and on the seafront. Re-developed into a prestigious, world-class, 5-star deluxe hotel with 400 rooms and suites and linked by a subway with its adjacent commercial complex on the seafront, the project was completed in December 2000 and has been very well received. During the financial year 2004/2005, the hotel achieved robust growth mainly due to rising business activities.

The project has received a number of awards in recognition of its architectural design and concept. Awards received include Awards of Excellence by Urban Land Institute (2004), FIABCI Prix d'Excellence under the Leisure Category Winner (2003), Urban Redevelopment Authority Architectural Heritage Award 2001 and the Singapore Institute of Architects Architectural Design Award 2001 (Conservation Category). In terms of quality of product and service, the hotel was on the Conde Nast Traveller Gold List (2005) and was awarded the third in Conde Nast Traveller Readers' Choice Awards Top Ten Hotels, Asia Category in 2004. It was voted as one of the World's Best Hotels by Institutional Investor and bestowed SPRING Singapore (Standards, Productivity and Innovation Board) Singapore Service Class Award in 2004.

#### **Conrad Hong Kong** (30% owned) Pacific Place, 88 Queensway, Hong Kong

This 5-star, international-class hotel is located above a major retail-shopping complex on Hong Kong Island and is managed by one of the most well known international hotel operators. Its excellent location and superior standard of service have made Conrad Hong Kong one of the most favoured hotels in the region.

#### **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. 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 the occupancy is satisfactory.

## REVIEW OF OPERATIONS *(Continued)*

### (6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

#### **Skyline Tower** (50% owned)

39 Wang Kwong Road, Kowloon Bay, Kowloon

This office redevelopment project located next to the East Kowloon Expressway was formerly known as Ahafa Cargo Centre and is about an 8-minute walk from the MTR Kowloon Bay Station. The project was completed in November 2003, providing a total attributable gross floor area of 413,915 square feet. It is now 92% leased with favourable rental rate.

#### **The Centrium** (70% owned)

60 Wyndham Street, Central, Hong Kong

This Grade-A commercial development located near Lan Kwai Fong, the 'expatriate quarter' renowned for its cosmopolitan lifestyle, festive entertainment and dining activities, was completed in June 2001. It provides 255,911 square feet of international-class commercial space with a retail mall to match and complement the flamboyant atmosphere and popular eateries nearby.

#### **Futura Plaza** (100% owned)

111-113 How Ming Street, Kwun Tong

This 26-storey building located in Kwun Tong is approximately 3-minute walk from the MTR Kwun Tong Station. The property has been converted its usage from industrial to office building. The project was completed in November 2001 and its occupancy rate is high.

#### **148 Electric Road** (100% owned)

Electric Road, North Point, Hong Kong

This is a prime commercial development near the MTR Fortress Hill Station and Cross-Harbour Tunnel. The development caters to a wide range of businesses and 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 project has enjoyed high occupancy.

## REVIEW OF OPERATIONS *(Continued)*

### (6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

#### **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 is a popular choice for trading and manufacturing companies requiring office space. The completion of East Tsim Sha Tsui Extension on the KCR East Rail has been instrumental in bringing in more shoppers' traffic into the area. Tsim Sha Tsui Promenade Beautification Scheme scheduled for completion by phases by 2006 will further boost traffic flow to the area as well. The occupancy rate for this property is satisfactory.

#### **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 comprising a high-rise modern office tower and 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 generated 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 incorporates a future MTR exit on the ground level. This attractive commercial building of 23 storeys provides 131,960 square feet gross floor area of space and a 32,500 square feet 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 space 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 Wan Chai, is close to the MTR Wan Chai Station. The building has maintained satisfactory occupancy.

## REVIEW OF OPERATIONS *(Continued)*

### (6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

#### **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. Both the retail space and the office floors enjoy high occupancy.

#### **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 podium and a basement car-park.

#### **Sunley Centre** (100% owned)

9 Wing Yin Street, Tsuen Wan, New Territories

The Centre was acquired in June 2002. This 18-storey and 170,570 square feet industrial building is located at the centre of the Tsuen Wan Industrial Zone and is close to the Kwai Chung terminals. The property is fully let.

#### **Commercial Parts of Rosedale Gardens** (100% owned)

133 Castle Peak Road, Tuen Mun, New Territories

Acquired in May 2005, the commercial parts of Rosedale Gardens comprise two-level shopping arcade of approximately 35,213 square feet and 38 carparking spaces. It is conveniently located near KCR Light Rail's Ho Fuk Tong Station.

#### **Raffles City Shanghai** (19% owned)

Plot 105 A & B, 228 Xizang Road Central, Huangpu District, Shanghai

The building is jointly developed by several international property developers. The 46-storey prime office tower is located in the central business area of Huangpu District and surrounded by boutique shops that attract heavy pedestrian flow. The project was completed in October 2003, yielding a total of 1.35 million square feet of gross floor area. The retail precinct is fully occupied whereas the office space has enjoyed high occupancy.



## REVIEW OF OPERATIONS *(Continued)*

### (7) CHINA MARKET

The Group has adopted a focused and selective approach in managing its investments in Mainland China following the successful completion and marketing of the first development, Beverly Garden, as well as the completion of Colonnades Court both in Xiamen. The Group has 10 major developments currently under development in prime locations in Shenzhen, Chengdu, Xiamen, Fuzhou, Guangzhou and Zhangzhou with a total developable and attributable gross floor area of 10.7 million square feet. Of the total, 90.5% are residential developments, 9.1% commercial and 0.4% hotel which will be completed 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.

### (8) CORPORATE AFFAIRS

#### *Strong balance sheet position*

With a steady recurrent income base from the property investment portfolio and proceeds from its property sales, the Group has continued to maintain a sound financial position with healthy cash-flow. Gearing ratio has been managed at 22.7%. The Group has retired a total of HK\$1.8 billion debts during the year.

The Group affirms its commitment to maintaining a high degree of corporate transparency as well as good communication with banks and investors. The Corporate Finance Department has used various channels including regular meetings with investors, fund managers and analysts; investor conferences; site visits, result briefings and the web site ([www.sino-land.com](http://www.sino-land.com)) to disseminate information on the Group's latest developments. During the financial year 2004/2005, we have attended a total of 4 investor conferences and participated in 13 non-deal roadshows.

Date	Type	Region/Country	Organiser
Jul-04	Non-deal roadshow	Europe	BNP Paribas Peregrine
Sep-04	Non-deal roadshow	Hong Kong	HSBC Securities (Asia) Ltd.
Sep-04	Non-deal roadshow	Singapore	DBS Vickers (Hong Kong) Limited
Oct-04	Non-deal roadshow	London	CLSA Limited
Oct-04	Non-deal roadshow	United States	Citigroup Global Markets Asia Limited
Nov-04	Conference	Singapore	Morgan Stanley Dean Witter Asia Ltd.
Nov-04	Non-deal roadshow	Singapore	J.P. Morgan Securities (Asia Pacific) Limited
Dec-04	Non-deal roadshow	United States	J.P. Morgan Securities (Asia Pacific) Limited
Dec-04	Non-deal roadshow	Tokyo	Daiwa Institute of Research (H.K.) Ltd.
Jan-05	Conference	Shanghai	UBS Securities Asia Limited
Feb-05	Conference	London	ABN AMRO Asia Limited
Mar-05	Non-deal roadshow	Hong Kong	CLSA Limited
Apr-05	Non-deal roadshow	United States	CLSA Limited
Apr-05	Non-deal roadshow	United States	Goldman Sachs (Asia) L.L.C.
Apr-05	Non-deal roadshow	Europe	J.P. Morgan Securities (Asia Pacific) Limited
May-05	Conference	Hong Kong	Deutsche Bank
Jun-05	Non-deal roadshow	Australia	Macquarie Securities Limited

## REVIEW OF OPERATIONS *(Continued)*

### (8) CORPORATE AFFAIRS *(Continued)*

During the financial year 2004/2005, Sino Land was awarded 'Overall Most Improved Company for Best-Management Practices 2004' by Asiamoney. In June 2005, Sino Land was re-admitted as one of the Hang Seng Index Constituent Stocks.

*Sino Club has close to 60,000 members*

Sino Club, established in July 1997, has now grown to a membership base of close to 60,000 members. To enhance communication between the Group and its customers including property owners, residents and tenants, as well as the general public, Sino Club has bridged the gap with its members through newsletter, web site and e-mail.

Efforts have also been put into focusing more on web-based channels of communication to help save paper. Members are offered a wide range of shopping and hospitality incentives at the Group and Group-related malls and hotels both in Hong Kong and Singapore, with exclusive home purchase privileges. They are also invited to priority previews of show flats and can enjoy activities arranged exclusively for them. As the Group markets more residential units and commercial space, Sino Club will see a further increase in its membership.

The Group regards staff training and development as one of its most important management objectives, and an integral part of building professionalism and integrity and maintaining excellence in service quality. During the year, the Group organised various types of training programmes for its employees to further enhance staff development and productivity. The Group arranges a broad range of seminars and training in customer service, language, environmental conservation and information technology to broaden the knowledge, skill and ultimately the quality of service provided by its employees. The Group takes advantage of the many different channels of communication available, including the Internet and internal computer network facilities to promote the exchange of information and improve efficiency.

### (9) PROPERTY MANAGEMENT

*To upgrade service and maintain customers' satisfaction*

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, Sino Security Services Limited and its associated company, Sino Parking Services Limited. The property management portfolio will continuously expand in tandem with the property development programme of the Group. Currently, the Group's management portfolio consists of some 160 projects with an aggregate gross floor area in excess of 46 million square feet, which, aside from properties within the Group includes other private estates and Government shopping malls.

## REVIEW OF OPERATIONS *(Continued)*

### (9) PROPERTY MANAGEMENT *(Continued)*

During the financial year 2004/2005, the Group conducted comprehensive training programme on a regular basis, covering all aspects of property management, the main emphasis being on customer service. Management continues to stress the need for excellent communication and to this end actively encourages staff to attend the various language courses provided by the Group. The course in Putonghua has received particular attention.

The Group has continued its practice of appointing experienced senior personnel as 'Centre Manager' for its seven most important complexes, namely, Tsim Sha Tsui Centre, Tuen Mun Town Plaza, Pacific Palisades, Hong Kong Gold Coast, China Hong Kong City, Olympian City 1 and 2 and Island Resort, with the responsibility of ensuring smooth and efficient management in the interests of its tenants and of the Group.

To cope with the Group's expansion of its property management operations and to meet customers' expectations of quality service and lifestyle environments, the Group will continue to review, and where necessary upgrade, its services to achieve ever higher standards of property management services.

The Group has fully implemented the internet-based property management information system called iPromise® in 2005. Developed jointly by Hong Kong Productivity Council and Sino Estates Management Limited, the system enables the property management arm of the Group to adopt a more systematic, structural and efficient approach to property management. Communication among departments of the Group has been enhanced, team work improved, resulting in a better quality of service to our customers. It also transforms the manual-based management to knowledge-based management.

Sino Estates Management Limited, Sino Security Services Limited and Best Result Cleaning Services Limited will continue to explore new business opportunities and widen the scope of their business activities to enhance shareholders' value.