



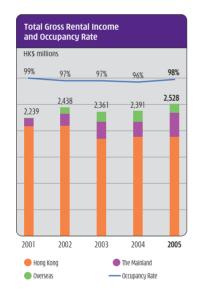
- 2 Hong Kong
- 3 Mainland China
- 4 Singapore
- 5 United Kingdom
 - 6 Bahamas

Property and Hotels

The Group's property activities comprise an investment portfolio of approximately 16 million square feet (2004 – 16.4 million square feet) of office, commercial, industrial and residential premises that provide steady, recurrent rental income. This division also includes interests in joint ventures for the development of high quality, primarily residential projects, mainly in the Mainland and selectively overseas. In addition, the Group has ownership interests in a portfolio of 11 premium quality hotels.



Total revenue of the property and hotels division for 2005 totalled HK\$10,265 million, an increase of 13%, mainly due to higher sales from development projects, increased revenue from the hotel businesses and increased rental income. EBIT of HK\$3,939 million was 31% better than 2004, reflecting increased rental income, the profit from sale of non-core investment properties, a release of a provision made in previous years against a Hong Kong development project, and improved results from the hotel operations reflecting the growth in the Hong Kong tourism industry. This division contributed 5% and 7% to the Group's total revenue and EBIT from its established businesses respectively. In addition to the EBIT above, the Group recorded a gain on change in fair value of investment properties of HK\$5,225 million.





The property at Tsing Yi, Hong Kong, houses the headquarters of Hutchison Telecommunications International.

Rental Properties

Hong Kong

The Group's portfolio of rental properties in Hong Kong, comprising approximately 12.8 million square feet (2004 – 12.7 million square feet) of office (26%), commercial (24%), industrial (49%) and residential (1%) properties, continues to provide a strong recurrent earnings base. Gross rental income of HK\$1,899 million, including the Group's share of associated companies' rental income, was 6% above last year, reflecting higher lease renewal rates, particularly for office premises. All of the Group's premises remain substantially fully let. Gross rental income is expected to report healthy growth in the near term as office premise leases are renewed.

Major rental properties in Hong Kong

| Name | Property Type | Total Gross Floor Area for Rent (thousand sq ft) | Group's Interest | % Leased |
|---|---------------|--|---------------------|----------|
| Cheung Kong Center | Office | 1.263 | 100% | 99% |
| Hutchison House | Office | 504 | 100% | 96% |
| Harbourfront Office Towers I and II | Office | 863 | 100% | 95% |
| Aon China Building | Office | 259 | 100% | 99% |
| Whampoa Garden | Commercial | 1,714 | 100% | 98% |
| Aberdeen Centre | Commercial | 345 | 100% | 99% |
| Hutchison Logistics Centre (formerly "Hongkong International Distribution Centre") | Industrial | 4,705 | 88% | 99% |

The Mainland and Overseas

The Group's various joint ventures in the Mainland and overseas hold a portfolio of investment properties totalling 10.1 million square feet, of which the Group's share is 3.2 million square feet (2004 - 3.7 million square feet). The Group's share of gross rental income of HK\$629 million was 6% above last year, mainly due to higher rentals from the Mainland properties.

"EBIT of HK\$3,939 million was 31% better than 2004."

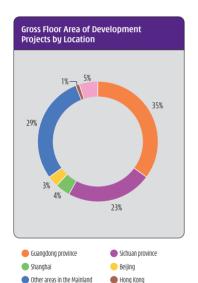
Major rental properties in the Mainland and Overseas

| Name | Location | Property Type | Total Gross Floor Area for Rent | Group's Interest | % Leased |
|-------------------------------|-----------|--|------------------------------------|---------------------|----------|
| | | | (thousand sq ft) | | |
| The Mainland | | | | | |
| Oriental Plaza | Beijing | Office, serviced apartments & commercial | 5,218 | 18% | 95% |
| Westgate Mall & Tower | Shanghai | Office & commercial | 1,099 | 30% | 100% |
| Metropolitan Plaza | Chongqing | Office & commercial | 1,512 | 50% | 97% |
| Seasons Villas | Shanghai | Residential | 1,142 | 50% | 92% |
| Japan | | | | | |
| Pacific Century Place Marunou | chi Tokyo | Office & hotel | 786 | 38% | 100% |

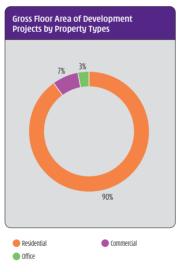




The Greenwich Beijing provides a new living concept - Boutique Residence, emphasising designer details, individuality, and offering a full range of facilities and services



UK and overseas

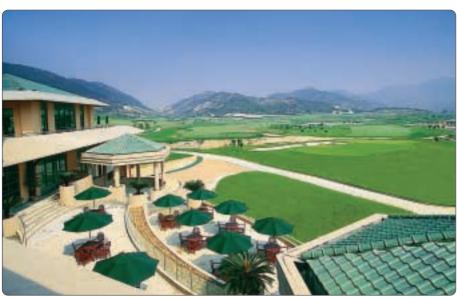


"The Group's current jointventure share of landbank being developed totals approximately 68 million square feet."

Property Sales and Properties under Development

During the year, profits were recorded primarily from the sale of four non-core joint-venture office investment properties in Hong Kong to the recently listed Prosperity REIT, sale of units in residential and commercial development projects in the Mainland, and also the release of a provision, made in previous years against a property development in Hong Kong, as a result of the recovery in the residential property market in Hong Kong in 2005.

In 2005 and in the first few months of this year, the Group increased its landbank in the Mainland by entering into joint ventures to develop mainly residential properties with a total developed gross floor area of approximately 54 million square feet, of which the Group's share is 26 million square feet. Including these recent additions, the Group's current joint-venture share of landbank being developed totals approximately 68 million square feet, of which 94% is in the Mainland, 5% is in the UK and overseas, and 1% is in Hong Kong. These projects are scheduled for completion in phases from 2006 to 2018 and are expected to provide satisfactory returns and steady development profits to the Group.



Banyan Oasis, Phase III of Laguna Verona in Dongguan, is prominently located next to a prestigious golf course and embraced by Hwang Gwana Lake, enioving scenic lake views and endless greenery.

Major Hong Kong properties under development

| Name | Location | Property Type | Total Gross Floor Area (thousand sq ft) | Group's Interest | Completion Date |
|----------------------------|------------|---------------|---|------------------|-----------------|
| Caribbean Coast – Phase IV | Tung Chung | Residential | 773 | 40% to 50% | 2008 |
| Hung Shui Kiu | Yuen Long | Residential | 537 | 50% | 2008 |

Hong Kong

In 2005, Carmel Cove, Phase III of the Caribbean Coast residential development in Tung Chung, was completed and the majority of the units was sold during the year. This development is expected to be completed in phases to 2008. During the year, the Group acquired a 50% interest in landbank in Hung Shui Kiu, to be developed into a 537,000-square-foot residential property by 2008.

The Mainland

In the Mainland, Phase III of Shanghai Regency Park, an upscale residential property, was completed during the year and 47 villas were sold. Phase I of Guangzhou International Toys and Gifts Center, a commercial complex, was completed during the year and 50% of the gross floor area was sold. Phase C of the residential development in Dongguan Laguna Verona was completed during the year and 155 apartments were sold. This project is scheduled for completion in phases to 2011. In Zhuhai, Phase IIIB of Horizon Cove was completed and 646 units in the development were sold during the year. The other projects under development are progressing well.

| Name | Location | Property Type | Total Gross Floor Area | Group's Interest | Completion Date |
|---|-----------|--------------------------|---------------------------|---------------------|--------------------|
| | | | (thousand sq ft) | | |
| Horizon Cove | Zhuhai | Residential | 1,072 | 50% | 2006 |
| Huangsha Underground Railway Station Development | Guangzhou | Residential & commercial | 3,689 | 50% | 2007 |
| International Toys and Gifts Center | Guangzhou | Commercial | 1,844 | 30% | 2007 |
| The Greenwich | Beijing | Residential & commercial | 3,951 | 50% | 2007 |
| Regency Park | Shanghai | Residential & commercial | 1,169 | 50% | 2007 |
| Maqiao | Shanghai | Residential | 488 | 43% | 2007 |
| Cape Coral, Panyu Dashi | Guangzhou | Residential & commercial | 4,004 | 50% | 2008 |
| Guanlan | Shenzhen | Residential | 1,697 | 50% | 2008 |
| Feng Huang Shan | Shenzhen | Residential & commercial | 3,140 | 50% | 2008 |
| Maison d'artiste | Shanghai | Residential & commercial | 1,681 | 50% | 2008 |
| Xin Zha Road | Shanghai | Commercial | 626 | 30% | 2008 |
| Yingkoudao | Tianjin | Residential & commercial | 2,718 | 40% | 2008 |
| Shisanling | Beijing | Residential | 866 | 50% | 2009 |
| Huaqianbei Development | Shenzhen | Residential & commercial | 1,610 | 50% | 2009 |
| Nanan | Chongqing | Residential & commercial | 4,084 | 48% | 2009 |
| Douxi | Chongqing | Residential & commercial | 4,399 | 50% | 2009 |
| Laopu Pian | Wuhan | Residential & commercial | 1,427 | 50% | 2009 |
| Wenjiang | Chengdu | Residential & commercial | 5,170 | 50% | 2009 |
| Qiao Island | Zhuhai | Residential & commercial | 2,521 | 50% | 2009 |
| Century Avenue | Shanghai | Commercial | 2,332 | 25% | 2010 |
| Hi-Tech Industrial Development Zone | Xian | Residential & commercial | 11,164 | 50% | 2010 |
| Zhen Long, Luo Gang District | Guangzhou | Residential | 2,483 | 40% | 2010 |
| Chai You Ji Chang, Nanguan District | Changchun | Residential | 2,354 | 50% | 2010 |
| Hualou Jie | Wuhan | Residential & commercial | 3,930 | 50% | 2011 |
| Laguna Verona | Dongguan | Residential & commercial | 12,975 | 50% | 2011 |
| Jingyuetan | Changchun | Residential & commercial | 4,379 | 50% | 2011 |
| Changsha Wangcheng | Hunan | Residential & commercial | 6,972 | 50% | 2012 |
| High Tech Zone | Chengdu | Residential & commercial | 25,645 | 50% | 2016 |
| Zengcheng | Guangzhou | Residential & commercial | 13,669 | 50% | 2018 |



The London Lots Road residential and commercial development is situated just off Cheyne Walk and beside the River Thames.

Overseas

In Singapore, a substantial number of remaining units of the Cairnhill Crest residential development was sold during the year. Other long-term development projects in the UK and Singapore are progressing well. In February this year, the Group announced the acquisition of a 25% interest in Lots Road and Chelsea Harbour Phase II from its joint-venture partner and, as a result, the Group's interest in this UK development has increased to 47.5%.



Cairnhill Crest in Singapore comprises three luxurious residential towers, offering one- to four-bedroom units,

"A substantial number of remaining units of the Cairnhill Crest development was sold."

Major overseas properties under development

| Name | Location | Property Type | Total Gross Floor Area (thousand sq ft) | Group's Interest | Completion Date |
|---|-----------|--------------------------|---|---------------------|--------------------|
| UK | | | (| | |
| Lots Road and Chelsea Harbour Phase II | London | Residential & commercial | 770 | 47.5% | 2012 |
| Convoys Wharf | London | Residential & commercial | 3,168 | 50% | 2016 |
| Singapore | | | | | |
| Singapore Marina Bay | Singapore | Residential & commercial | 2,626 | 17% | 2009 |

Hotels

The Group has ownership interests in 11 hotels in Hong Kong, the Mainland and the Bahamas, of which six are managed through its 50% owned hotel management joint venture. The tourism industry continued to gain momentum in 2005 from a revived economy, resulting in significantly higher travel activity than last year. As a consequence, our hotels reported EBIT growth of 82% compared to 2004.



The Kowloon Hotel's Harbour Club Floor with a brand new club lounge offers a tranquil and service-oriented ambience for business travellers.

