



HONG KONG – RENTAL PROPERTIES

The Group's portfolio of rental properties in Hong Kong of approximately 12.4 million sq ft of office (24%), commercial (24%), industrial (51%) and residential (1%) investment properties continues to provide a strong recurrent earnings base. Gross rental income of HK\$2,065 million overall was 4% higher than 1999 mainly as a result of a full year of rental income generated from Cheung Kong Center, which was completed in 1999, although this was partially offset by lower rental rates on scheduled lease renewals. All of the Group's premises remain substantially

fully let with satisfactory rental levels. Rental rates have recently shown signs of a recovery, particularly in the office sector.

HONG KONG – PROPERTY SALES

Development profits in 2000 were below those of 1999 due to significantly reduced development property activity after the completion of the Tierra Verde residential housing project in 1999. During the year construction was completed at the residential developments of Peninsula Heights on Broadcast Drive (229,000 sq ft) and Monte Vista in Ma On Shan (1.39 million sq ft). Almost all of the units have been



Top security is ensured at all times with 24 hour monitored security CCTV system at Cheung Kong Center.



Monte Vista is close to the future terminal station of Ma On Shan railway extension. The multi storey residential blocks fan out in spectacular V-formation to embrace the mountain and sea views at Tolo Harbour.

sold and a modest return has been recorded for these 50% owned joint venture developments.

HONG KONG – PROPERTIES UNDER DEVELOPMENT

During the year construction continued on the Harbourfront Landmark, a 672,000 sq ft residential and commercial project at Wan Hoi Street in Hunghom adjacent to the Harbour Plaza Hotel. The Group has a 50% interest in this development which is on schedule for completion later this year. Construction is well advanced and progressing on schedule at the 1.4 million sq ft development “Metropolis” above the Kowloon Canton Railway terminus in Hunghom. The Group has a joint venture interest with a profit sharing arrangement for this project, which when completed will comprise an

office tower and a hotel, which are scheduled for completion later this year, and two serviced apartment towers which are scheduled for completion in 2002.

Superstructure work commenced on Victoria Tower, a 1.0 million sq ft residential and commercial complex on Canton Road in Kowloon. The Group has a 42.5% interest in this development which is expected to be completed in 2002.

At Tung Chung, the Group has a joint venture interest with a profit sharing arrangement in a multiphase residential and commercial development totalling approximately 4.4 million sq ft. Presale activity is expected to commence later this year and construction is on schedule for a phased completion of the development between 2002 and 2004.

Located at the mid level luxury residential section of Broadcast Drive in Kowloon Tong and in the vicinity of prestigious schools, the Peninsula Heights development sets new standards for quality residential projects.



Whampoa Gourmet Place, located at Wonderful Worlds of Whampoa and officially opened in January, has become one of the most popular dining attractions in Hong Kong.

Plans are well advanced to develop a commercial, hotel and serviced suites complex of approximately 2.5 million sq ft on Tsing Yi Island. The Group has a 70% interest in this project which is planned for completion in 2003. Adjacent to this site, the Group has a preliminary plan to develop a 0.4 million sq ft office complex.

(98% occupied) in the Westgate Mall in Shanghai, and a 50% interest in 493,000 sq ft of low rise residential units (83% occupied) at Seasons Villas in the Huamu district of Pudong, Shanghai. All the Group's investments are generating rental income in line with current expectations.

MAINLAND CHINA – RENTAL PROPERTIES

The Group has various joint venture interests in a portfolio of investment property in the Mainland, which totals 3.1 million sq ft. The portfolio includes a 50% interest in 957,000 sq ft of retail space (93% occupied) and 554,000 sq ft of office space (46% occupied) above a shopping arcade at Metropolitan Plaza in Chongqing, a 15% interest in 687,000 sq ft of retail space (96% occupied) and 367,000 sq ft of office space

MAINLAND CHINA – PROPERTIES UNDER DEVELOPMENT

In the Mainland, the Group has interests in a number of joint ventures to develop properties in phases over the next six years. In Beijing, construction of the six million sq ft multiphase development Beijing Oriental Plaza (18% interest) has progressed on schedule. The commercial podium and three office towers were completed during the year and leasing of these premises is progressing well. The remaining five office towers and



The premium Le Parc Clubhouse, with the theme of “nurturing the new generation”, offers all-in-one facilities for the family.



The Harbour Plaza Hotels and Resorts homepage offers a global perspective of the hospitality industry. The website features subsections on hotels in Hong Kong, Beijing, Chongqing, Kunming and the Bahamas.

an 875 room hotel are scheduled for completion later this year. The final phase, which comprises two towers with 674 serviced apartments, is expected to be completed by 2002.

In Shanghai, the Group has a 50% interest in a joint venture which is continuing to develop a low density housing project in the Huamu district of Pudong. The final phases of Seasons Villas, comprising 0.8 million sq ft of villas and apartments, are scheduled for completion in 2001 and 2002. At a nearby site, the Group has a 31% interest in a joint venture for the staged development, over the next six years, of a 1.7 million sq ft villa and apartment complex. The Group also has a 42.5% interest in Walton Plaza, a 1.6 million sq ft residential and office development

in the Xuhui district in Shanghai and construction remains on schedule for completion in phases to 2004.

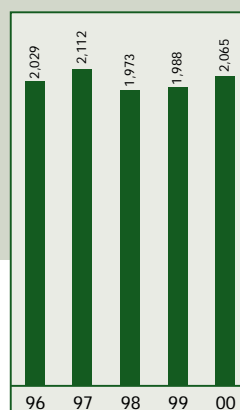
In Qingdao, substantially all the units of the two completed high rise residential towers of Pacific Plaza have been sold and the remaining two high rise residential towers are expected to be completed in 2002. The Group has an effective 15% interest in this project.

Adjacent to the 27 hole Harbour Plaza Golf Club in which the Group has a 42% interest, the Group has a 46% interest in a site covering approximately 32 million sq ft near Houjie, Dongguan. Planning is at an advanced stage for the next phase of this development, consisting of deluxe residential accommodation totalling 0.8 million sq ft.

Belgravia Place, the exquisite residential project in London, United Kingdom, will be completed in the third quarter of this year.



Gross Rental Income
(Includes Intra Group Rental)
HK\$ millions



In Shenzhen, construction is almost complete on the first phase of a residential development, Le Parc, near the Futian central district and all of the units have been presold. The final phases of the development, which comprise a further 3.3 million sq ft of residential and commercial space, are targeted for completion in phases by 2003.

The Group also has a 50% interest in a project to develop a 4.8 million sq ft estate of low rise apartments and villas in Zhuhai. Phase one construction is expected to be completed later this year and the final phase of this project is planned for completion in 2007.

Planning for a residential and commercial complex above the Guangzhou Huangsha Underground Railway Station is progressing and the first phase is

currently scheduled for completion in 2003. When completed in phases, the project will consist of approximately 1.3 million sq ft of residential and 0.5 million sq ft of commercial space.

OVERSEAS – PROPERTIES UNDER DEVELOPMENT

London

At the Montevetro site on the banks of the Thames river (22.5% interest) the remaining two residential blocks were completed during the year and almost all of the flats in this 164,000 sq ft residential development have now been sold. Construction of the Group's 42.5% owned 116,000 sq ft Belgravia Place residential development near Sloane Square remains on schedule for completion this year and all of the units have been presold. The Group also owns a 45% interest in a site at the Albion

Situated along the Kowloon waterfront, the Harbour Plaza Hong Kong offers unique and spectacular views over Victoria Harbour towards Hong Kong Island and the South China Sea.



The newest resort in the Bahamas. Our Lucaya introduces a fresh new attitude to revive the rhythm and spirit of the Caribbean.

and Bridge Wharves which will be developed into a residential / commercial development of 410,000 sq ft. Construction is expected to commence this year and completion is scheduled for 2003. The Group has a 22.5% interest in a 270,000 sq ft site on Lots Road in London with the intention to build an approximate 588,000 sq ft residential / commercial development for phased completion from 2003 to 2006.

Singapore

The Group has a 24% interest in Costa Del Sol, a 1.5 million sq ft residential development which is due for completion in 2003. Approximately 18% of this development has already been presold. During the year the Group acquired a 50% interest in a 440,000 sq ft residential project which is located in

the Cairnhill Circle and is scheduled for completion in 2003.

Tokyo

The Group has an effective 38% interest in a 784,000 sq ft high rise office and hotel tower adjacent to the Tokyo Station in the Marunouchi district. Construction is progressing on schedule for completion later this year.

HOTELS

The Group owns and operates hotels in Hong Kong, the Mainland and the Bahamas.

The market in Hong Kong improved with a steadily rising number of travellers during the year. The Harbour Plaza Hong Kong reported a 53% increase in EBIT while the EBIT of Sheraton Hong Kong

Harbour Plaza Kunming is located along the picturesque Green Lake Park, one of the most popular tourist attractions in the city.



Hotel and Towers, in which the Group has a 39% interest, increased by 31% compared to 1999, mainly due to higher occupancy levels. During the year, construction of Harbour Plaza North Point (39% interest) with 566 guest rooms and suites was completed and the initial occupancy levels and operating results have been encouraging.

Despite strong competition, the Harbour Plaza Beijing (95% interest) and Great Wall Sheraton in Beijing (49% interest) both reported increased EBIT from improved occupancy and food and beverage operations. The Harbour Plaza Chongqing (49% interest) reported improved occupancy and room rates and reduced its operating losses from the previous year. The Harbour Plaza Kunming (95% interest) continued to be affected by an over supply of rooms from

new and existing hotels and occupancy levels and room rates were below those reported in 1999.

Our Lucaya, the 1,267 room hotel and golf resort on Grand Bahama Island completed its redevelopment at the end of the year. A major marketing programme has commenced to support the official launch of this resort later this year.

Three other hotels are currently in various phases of development. The Harbour Plaza Metropolis in Hunghom (25% interest), which will have 690 rooms and suites, is expected to open later this year. The Oriental Harbour Plaza Beijing (18% interest) plans to offer 875 deluxe rooms and suites on completion later this year. A hotel in Ma On Shan with 831 rooms and suites is scheduled to open in mid 2002.