

REVIEW OF OPERATIONS

(1) LAND BANK

Total land bank of 18.8 million square feet

As at 30th June, 2003, the land bank of Sino Group increased to 18.8 million square feet from 17 million square feet in the previous financial year due to new site acquisitions mainly for residential development. The Group's land bank comprises a well-diversified portfolio of properties: residential (44%), commercial (32%), industrial (13%), car parks (8%) and hotels (3%). 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, the Group acquired two additional plots of land located in fast growing new towns in Hong Kong thereby increasing the land bank by about 2.7 million square feet of attributable gross floor area. The Group's commercial 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 breakdown of the Group's land bank as at 30th June, 2003.

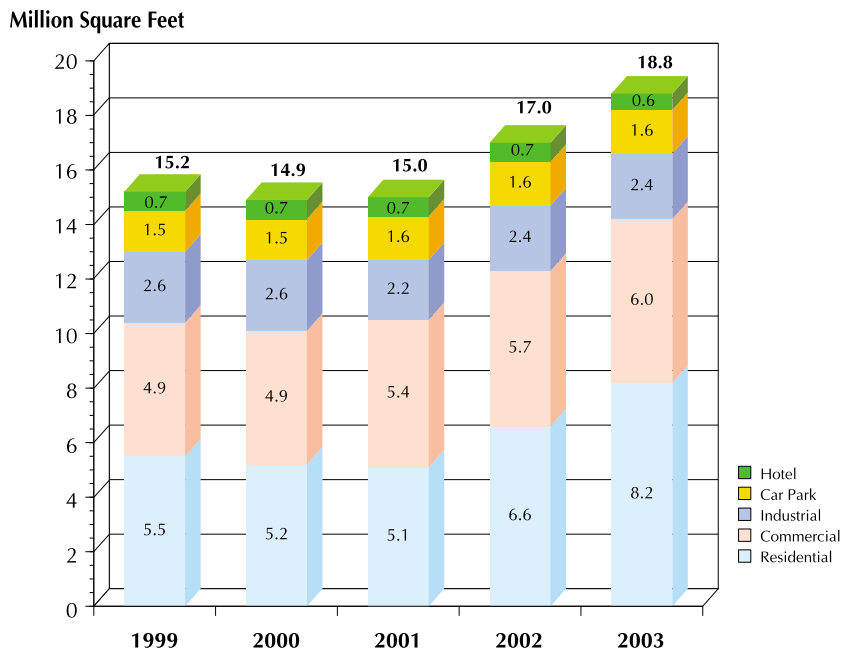
	By Status and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
Development for Sale	7,329,953	1,312,532	—	—	—	8,642,485	46%
Completed Investment Properties	231,851	3,972,018	2,174,392	1,557,664	631,929	8,567,854	46%
Development for Investment	166,840	669,892	—	—	—	836,732	4%
Completed Properties for Sale	466,736	37,753	265,610	—	—	770,099	4%
Total	8,195,380	5,992,195	2,440,002	1,557,664	631,929	18,817,170	100%
Percentage	44%	32%	13%	8%	3%	100%	

	By Location and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
New Territories	5,166,641	1,673,989	644,007	1,112,610	—	8,597,247	46%
Kowloon	1,367,873	2,002,780	1,795,995	391,452	—	5,558,100	29%
Hong Kong Island	419,438	1,059,745	—	53,602	165,506	1,698,291	9%
China and Singapore	1,241,428	1,255,681	—	—	466,423	2,963,532	16%
Total	8,195,380	5,992,195	2,440,002	1,557,664	631,929	18,817,170	100%
Percentage	44%	32%	13%	8%	3%	100%	

REVIEW OF OPERATIONS *(Continued)*

(1) LAND BANK *(Continued)*

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



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

Sky Horizon (100% owned)

35 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 prestigious residential development yields 108 units of high-quality flats, each unit affording a panoramic view of Victoria Harbour. Construction was completed in December 2002 and all the units have already been sold.

Grand Regentville (100% owned)

9 Wo Mun Street, Fanling, New Territories

This 603,929 square feet development provides 384,175 square feet of residential space comprising 662 residential units, 71,462 square feet of commercial space and 148,292 square feet of parking space. The Occupation Permit was issued in October 2002. All the residential units have now been sold.

REVIEW OF OPERATIONS *(Continued)*

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

Horizon Place (100% owned)
100 Kwai Luen Road, Kwai Chung, New Territories

Located in the fast growing district of Kwai Chung, the development is well served by a wide range of public transport. The project offers a total of 372 residential units with a total gross floor area of 205,580 square feet. Construction was completed in October 2002.

(3) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES

Ocean View (100% owned)
1 Po Tai Street, Ma On Shan, New Territories

The site is located in one of the fastest growing new towns and can be accessed by various transport modes including the Ma On Shan Rail scheduled for completion in 2004. 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. A 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. Over 99% 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 and 860 square feet of retail space. Foundation and piling works have now been completed and the project is due for completion in October 2003. Pre-sale of the projects was started in January this year. Over 99% of the units have been sold in a very short period of time.

The Cliveden and The Cairnhill (50% and 25% owned respectively)
Tsuen Wan Area 40, Lot No. 404 and Lot No. 395, New Territories

These two sites are located at the mid-levels of Tai Mo Shan and command a panoramic view of Tsuen Wan, the Tsing Ma Bridge and Kap Shui Mun. Upon completion in the financial year of 2003/2004, the developments will provide in excess of 1 million square feet of residential space comprising 980 luxurious flats.

REVIEW OF OPERATIONS *(Continued)*

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

Parc Palais (30% owned)

18 Wylie Road, King's Park, Kowloon

Located in one of the prime residential areas in King's Park 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. Pre-sale was started in August 2003.

St Andrews Place (100% owned)

38 Kam Chui Road, Beas Stable, Sheung Shui, New Territories, DD94L943

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. The foundation work has been laid and construction of the superstructure is well under way with plans for completion in January 2004.

Embassy Lodge (100% owned)

8 Kam Tsin South Road, 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 and HKJC Beas River Country Club. When completed it will consist of 44 quality detached country style houses with 74 car-parking spaces. The development is expected to be completed in December 2003.

Residence Oasis (60% owned)

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

The Group was awarded the tender to develop a 193,365 square feet site over the MTR Hang Hau Station in June 2002. The project which is being undertaken jointly by the Group and Kerry Properties Limited comprises 2,130 flats in 6 towers. Completion is expected to be in November 2004. A magnificent clubhouse comprising some 180,000 square feet offers a wealth of facilities including an 80 metres outdoor swimming pool, a 400 metres long jogging trail. Barbecue facilities and a bowling alley will also be built. The foundation and piling works have already been completed and the construction of the superstructure is well underway. The pre-sale consent was issued in August 2003.

REVIEW OF OPERATIONS *(Continued)*

(3) HIGHLIGHTS OF THE GROUP'S DEVELOPMENT PROPERTIES *(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 which will include the KCR West Rail. The existing local Light Rail system provides a convenient link with Yuen Long. 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 will offer 544 residential flats and 29,082 square feet of retail space. Completion is expected in August 2004. Pre-sale was started in July 2003 and over 76% of the units have now been sold.

Anglers' Bay (50% owned)

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

The development will consist 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. Completion is expected to be in September 2004. Pre-sale was started in July this year and thus far market response has been satisfactory.

Piper's Hill Site (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. Site preparation has been completed and piling work carried out. The project is scheduled for completion in December 2004.

West Kowloon Site (100% owned)

KIL 11158, Hoi Fai Road, West Kowloon Reclamation

The site is located at the waterfront of West Kowloon Reclamation and is adjacent to Island Harbourview and is about a 5-minute walk from the MTR Olympic Station. As it is close to the Sino Land's developments at the MTR Olympic Station, the Group can enjoy synergy and economies of scale in terms of project management and marketing. Upon the scheduled completion in June 2005, approximately 1,052 residential flats and 112,483 square feet of shopping mall will be provided.

REVIEW OF OPERATIONS *(Continued)*

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

The Beacon Hill (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. The Beacon Hill offers 232 residential flats and 22 luxurious townhouses with a full range of clubhouse facilities. The development is scheduled for completion in March 2005.

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. On completion, the project will yield an attributable gross floor area of 413,915 square feet. The targeted completion date is September 2003.

Raffles City Shanghai (19% owned)

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

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 site covers 163,624 square feet and upon scheduled completion in December 2003, will provide a total of 1.35 million square feet of gross floor area.

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 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 5-minute walk from the MTR Tsuen Wan Station and a 10-minute walk from Tsuen Wan West Station on KCR West Rail which is due for completion in December 2003. A total of 1,920 residential flats in 7 towers with a total gross floor area of approximately 1.16 million square feet and 245,419 square feet of retail space are expected to be built. This project will be completed in the financial year of 2005/2006.

REVIEW OF OPERATIONS *(Continued)*

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

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 5-minute walk from the KCR Fo Tan Station. Upon its completion which is scheduled in the financial year 2006/2007, the project will yield some 1.3 million square feet of residential space providing about 1,560 units in 10 towers and 21,258 square feet of retail space.

(4) INVESTMENT PROPERTIES

8.6 million square feet of completed investment properties with diversified uses

The Group's completed investment portfolio was 8.6 million square feet in the financial year, comprising properties of diversified usage:

Use	Percentage
Office/Retail	46%
Industrial	25%
Car parks	18%
Hotels	8%
Residential	3%

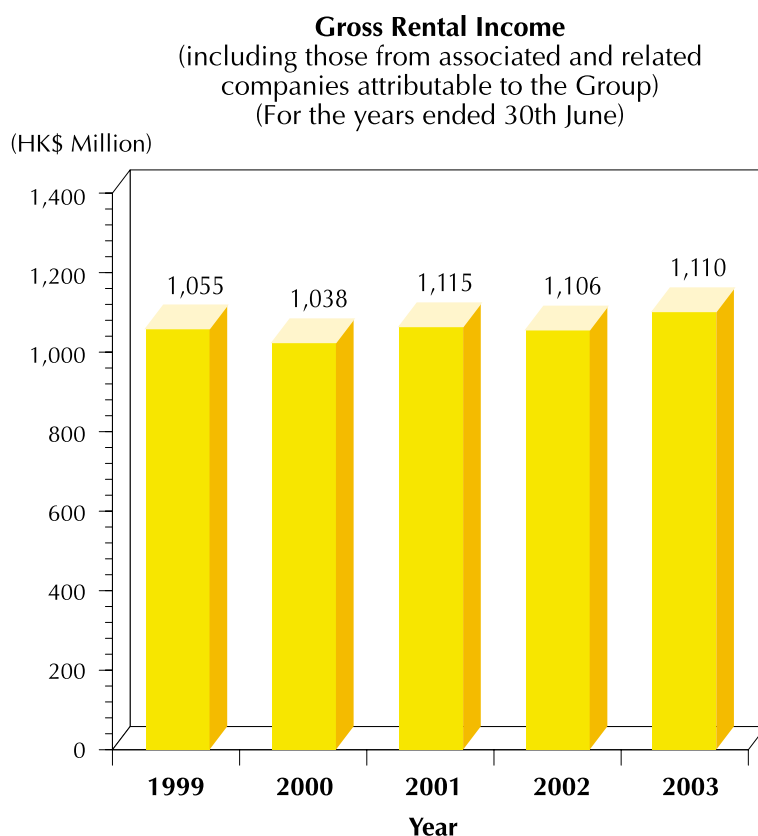
The Group's investment property portfolio has maintained high occupancy rates throughout the year. Including contributions from associated and related companies, the total gross rental revenue has been stable at HK\$1,110 million for this financial year.

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

	Investment Portfolio					Total Area	Percentage
	Commercial	Industrial	Car Park	Hotel	Residential		
	<i>(Gross Floor Area in Square Feet)</i>						
Completed Investment Properties	3,972,018	2,174,392	1,557,664	631,929	231,851	8,567,854	91%
Development for Investment	669,892	—	—	—	166,840	836,732	9%
Total	4,641,910	2,174,392	1,557,664	631,929	398,691	9,404,586	100%
Percentage	49%	23%	17%	7%	4%	100%	

REVIEW OF OPERATIONS *(Continued)*

(4) INVESTMENT PROPERTIES *(Continued)*



(5) HIGHLIGHTS OF INVESTMENT PROPERTIES

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 shopping malls are inter-connected and linked to the MTR Olympic Station. These developments are 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, about 200 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)*

(5) 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 more than 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 more than 20 bus routes link 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.

Futura Plaza (100% owned)

111-113 How Ming Street, Kwun Tong

This 26-storey building located in Kwun Tong is 3 minutes walk from the MTR Kwun Tong Station. The property has been retained for investment purpose. The project was completed in November 2001 and its occupancy rate is satisfactory.

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 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.

REVIEW OF OPERATIONS *(Continued)*

(5) 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 Business District and on the seafront. Re-developed into a prestigious, world-class, 5-star 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.

In 2003, the project was bestowed FIABCI Prix d'Excellence under the Leisure Category Winner. The hotel was awarded the Best New Business Hotel in Asia Pacific (Business Traveller Asia Pacific Awards) in 2002 and has been admitted to Condé Nast Traveller's sixth annual 2002 Hot List of the world's top new hotels and has also received several awards such as the Urban Redevelopment Authority Architectural Heritage Award 2001, the Singapore Institute of Architects Architectural Design Award 2001 (Conservation Category) and MIPIM Award 2002.

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. 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)*

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

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, hotel, 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 SAR), the pedestrian flow in the complex is enjoying tremendous growth, underpinning good business opportunities for office tenants, the retail tenants and hotel operation. It is currently undergoing a major renovation which is expected to be completed by the fourth quarter of 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. Occupancy in the retail floors are expected to be full by end of 2003.

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 Tsim Sha Tsui Extension on the KCR East Rail Extensions due for completion in 2004 and Tsim Sha Tsui Promenade Beautification Scheme will further boost traffic flow to the area. 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 fifteen 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 to be in operation in December 2003, 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 exterior of Tuen Mun Town Plaza underwent a major renovation programme in 2002. The new design gives a refreshing and radiant new outlook, and depicts a modern life style. The complex is fully leased with a stable rental income contribution to the Group.

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 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.

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.

REVIEW OF OPERATIONS *(Continued)*

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

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.

Cambridge Plaza (100% owned)

188 San Wan Road, Sheung Shui, New Territories

Acquired in June 2003, Cambridge Plaza provides a total of 174,358 square feet of space for industrial use. The project has maintained full occupancy.

(6) CHINA MARKET

The Group has adopted a focused approach in managing its investments in Mainland China following the successful completion and marketing of the first development, Beverly Garden in Xiamen. The Group has 9 major developments in prime locations in Shanghai, Xiamen, Fuzhou and Guangzhou with a total developable and attributable gross floor area of 2.4 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.

(7) CORPORATE FINANCE AND PUBLIC AFFAIRS

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 36.6%. The Group has retired a total of HK\$2.3 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 and Public Affairs Departments have used different channels including regular meetings with investors, fund managers and analysts; investor conferences; site visits, result briefings and the web site (www.sino-land.com) to disseminate information on the Group's latest developments.

Sino Club, established in July 1997, has now grown to a membership base of over 56,000 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.

Strong balance sheet position

Sino Club has over 56,000 members

REVIEW OF OPERATIONS *(Continued)*

(7) CORPORATE FINANCE AND PUBLIC AFFAIRS *(Continued)*

Efforts have also been put into focusing more on web-based channels of communication to help save paper. The 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.

(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 144 estates including properties under the Group, other private estates and Government shopping malls with an aggregate gross floor area of over 44 million square feet.

To upgrade service and maintain customers' satisfaction

During 2002/2003, rapid progress was achieved in several areas. A comprehensive training programme covering all relevant aspects of property management, in particular, customer service and language courses were conducted on a regular basis. On the strategic front, 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 1 and 2 and Island Resort has been upgraded through the appointment of Centre Managers. To cope with the expansion of property management operation and to address customers' expectations of quality service, the Group will continue to review, and where necessary upgrade, its services in pursuit of ever higher standards of property management services.

REVIEW OF OPERATIONS *(Continued)*

(8) PROPERTY MANAGEMENT *(Continued)*

Sino Estates Management Limited, Sing-Ho 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. During the financial year, both Sing-Ho Security Services Limited and Best Result Cleaning Services Limited received ISO 9001: 2002 certification in Quality Management System. The Regentville, for which Best Result Cleaning Services Limited serves as cleaning company for the site, won the cleaning competition under the category of 'Estate Age Below 12 years' for the North District organised by the North District Office in March 2003.