



# Review of Operations

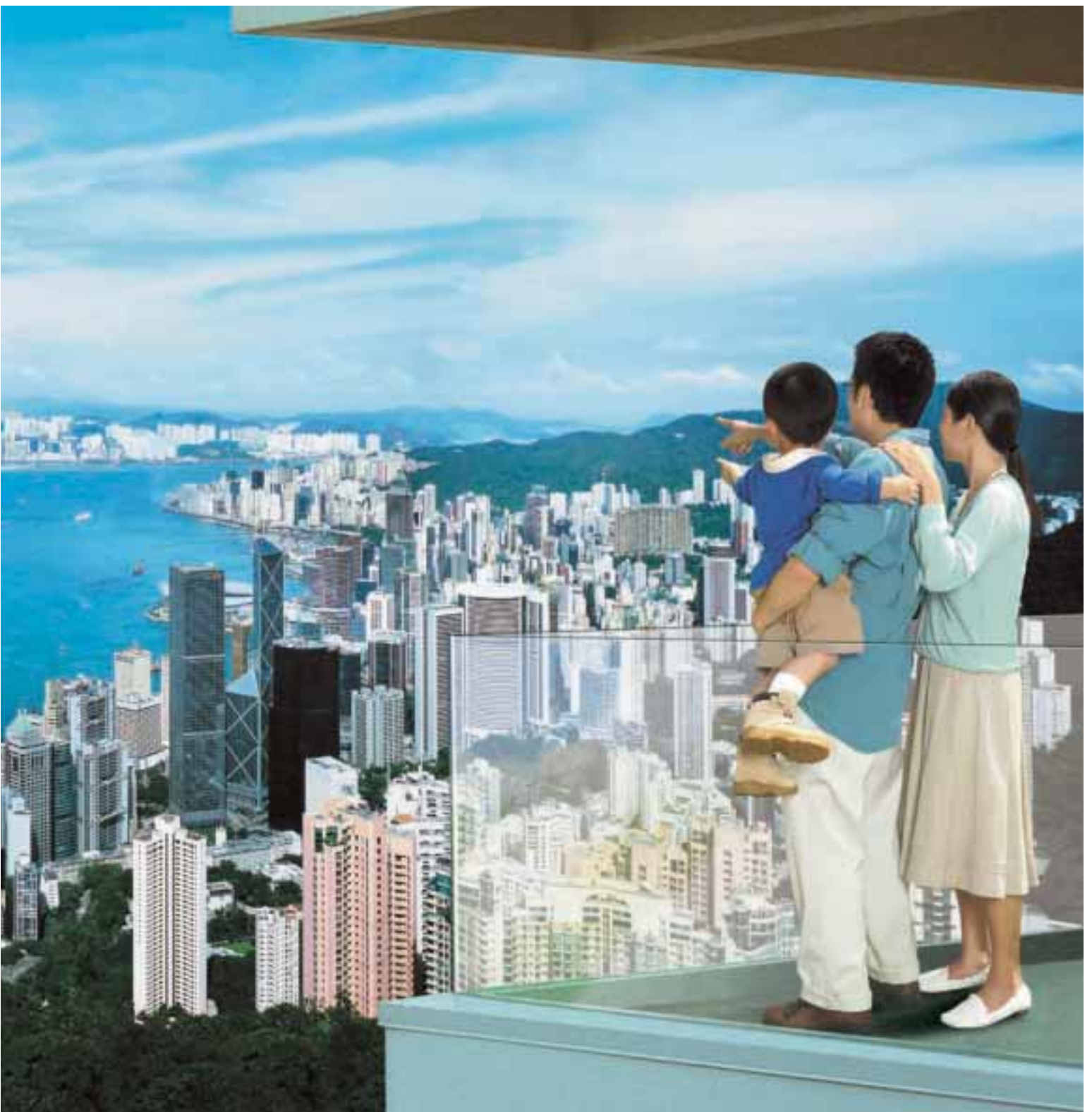
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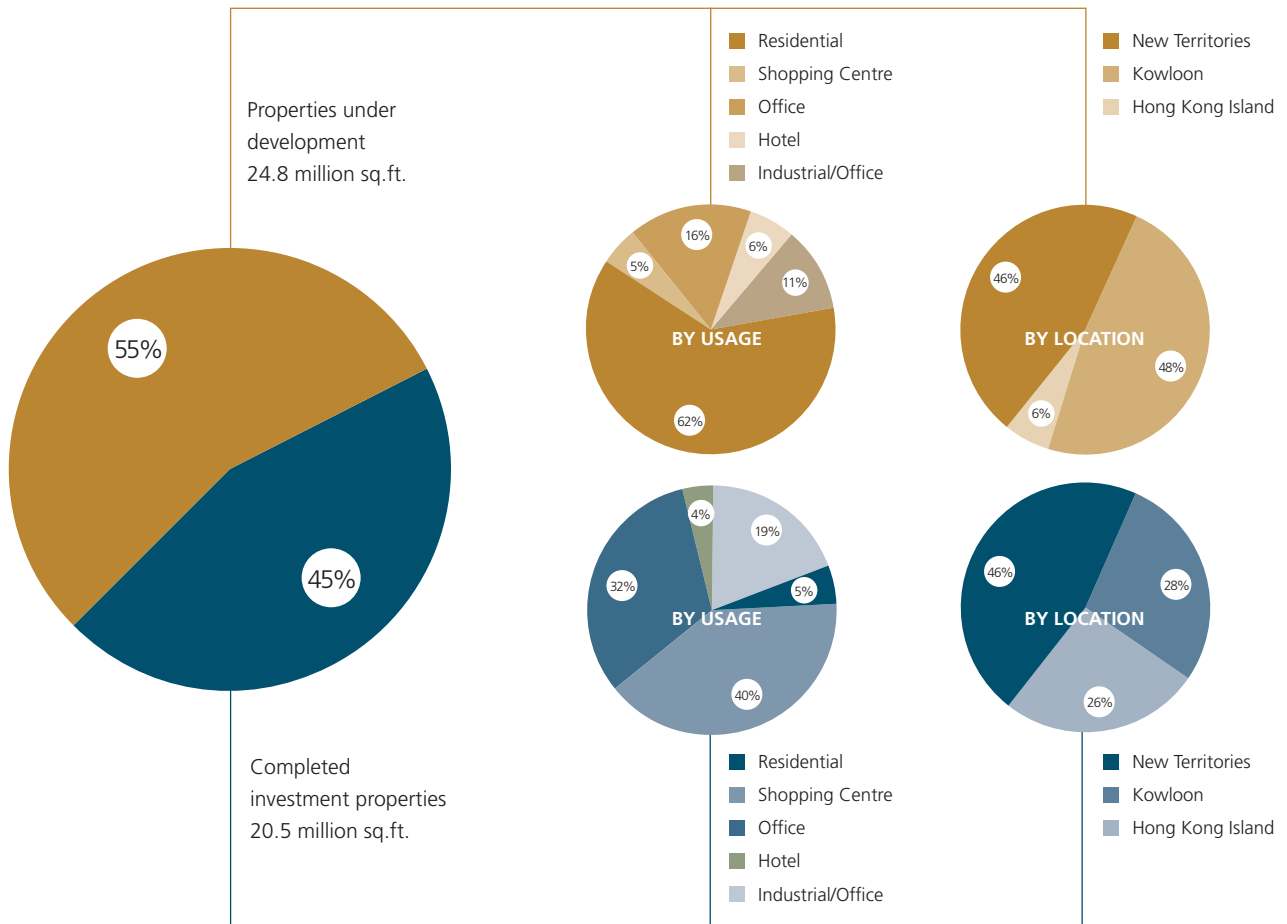
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### Composition of the Group's Land Bank in Hong Kong

- 45.3 million square feet in attributable gross floor area



The Group's attributable land bank in Hong Kong amounted to 45.3 million square feet as at 30th June 2003, compared with the 50.4 million square feet reported last year. In addition, the Group owns over 21 million square feet of agricultural lands, in terms of site area, located in various parts of the New Territories. Most of these lands, situated along existing or planned railway lines, are in the process of land use conversion, principally for residential development.

The reduction in the land bank was partly due to the government's moratorium on land sales until the end of 2003. Negotiations with the government on land premiums are continuing however, and the Group will take advantage of current market conditions to replenish its land bank when appropriate opportunities arise. The Group intends to maintain a high production volume of residential properties for sale over the medium term.

The land bank in Hong Kong comprises 24.8 million square feet of properties under development and 20.5 million square feet of completed investment properties. Of the properties under development, 18.1 million square feet are for sale, while the other 6.7 million square feet will be kept as long-term investments and added to the Group's investment properties portfolio upon completion.

The usage of the Group's properties portfolio is diverse and well balanced. While 62 per cent of the properties under development are residential projects for sale, 72 per cent of the completed properties are regional shopping centres and prime offices. The Group's land bank in Hong Kong, is analysed by status and usage as follows:

### Status and Usage

Attributable Gross Floor Area (million square feet)

	Residential	Shopping Centre	Office	Hotel	Industrial/ Office*	Total
Development for sale	15.4	–	–	–	2.7	18.1
Development for investment	–	1.1	4.0	1.6	–	6.7
Completed investment properties	1.0	8.3	6.5	0.9	3.8	20.5
<b>Total</b>	<b>16.4</b>	<b>9.4</b>	<b>10.5</b>	<b>2.5</b>	<b>6.5</b>	<b>45.3</b>

\* Industrial / office properties include godowns.

In terms of geographical location, the land bank is also well diversified. About 16 per cent of it is located on Hong Kong Island and 38 per cent in Kowloon. The remaining 46 per cent is spread throughout various

new towns in the New Territories. The land bank in Hong Kong is analysed by status and location as follows:

### Status and Location

Attributable Gross Floor Area (million square feet)

	Hong Kong Island	Kowloon	New Territories	Total
Development for sale	0.9	6.1	11.1	18.1
Development for investment	0.5	5.9	0.3	6.7
Completed investment Properties	5.8	5.3	9.4	20.5
<b>Total</b>	<b>7.2</b>	<b>17.3</b>	<b>20.8</b>	<b>45.3</b>

The Group's land bank on the Mainland is described under Mainland Business on page 60.