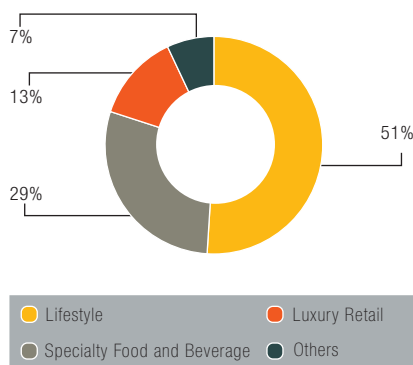




#### Top Five Retail Tenants by Gross Floor Area

Mitsukoshi Enterprises Co Ltd  
 Maxim's Caterers Ltd  
 Esprit Retail (Hong Kong) Limited  
 Physical Health Centre Hong Kong Limited  
 JV Fitness Ltd

Retail Tenant Mix as at 31 December 2004

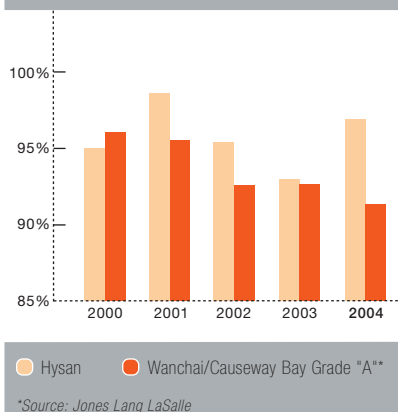


### High Occupancy

We have a record of consistently maintaining high occupancies in our commercial portfolio.

The following chart sets out our performance in the office sector over the past five years, against performance of the overall Wanchai/Causeway Bay district:

Office Occupancy as at 31 December



The retail sector maintained a consistently high occupancy with an average of more than 97% over the same five-year period.

### Lease Terms

In accordance with practices in the Hong Kong property market, Hysan's office leases are typically for three years, but in some cases for six to nine years in duration. The rents charged are generally reviewed every three years and are based upon prevailing market rates.

Retail leases are normally for three years. Longer lease terms may be signed on an individual and case-by-case basis. The rents charged are generally reviewed every three years based upon market rates. Retail leases generally provide for a fixed monthly rent with turnover rent in some cases.

Residential leases are typically for two years and are generally offered for renewal based on prevailing market rates.

Hysan's office, retail, and residential tenants are also charged a monthly management fee that covers principally building maintenance expenses. Tenants are required to pay their utility and government rates.



**BAMBOO GROVE**

← Mid-Levels



**LEIGHTON CENTRE**



**LEE THEATRE PLAZA**



**HENNESSY CENTRE**



**ENTERTAINMENT BUILDING**

← Central

Happy Valley ↓

**ONE HYSAN AVENUE**



**Bamboo Grove**

**74 - 86 Kennedy Road, Mid-Levels**

A luxury residential complex in the Mid-Levels, Bamboo Grove underwent major refurbishment in 2002 to enhance both the value and quality of the complex. The complex commands panoramic views of the harbour and the greenery of the Peak, and is well served by a multitude of public transport. In addition to superb property management services and full club-house and sports facilities, tenants also enjoy personalised Resident Services that help ensure a comfortable and problem-free stay.

Total Gross Floor Area:	691,546 sq.ft.
Number of Units:	345
Parking Spaces:	436
Year Completed/Renovated:	1985/2002

**Entertainment Building**

**30 Queen's Road Central, Central**

Enjoying a prime location in Hong Kong's Central financial and commercial district, the post-modern design Entertainment Building has 34 levels, comprising over 200,000 square feet of office and retail space.

Total Gross Floor Area:	211,148 sq.ft.
Number of Floors:	34
Year Completed/Renovated:	1993

**Leighton Centre**

**77 Leighton Road, Causeway Bay**

This office and retail complex enjoys close proximity to all forms of public transport. Its central location in the Causeway Bay area makes it a much sought-after location for many professional practices. Upgrading works on building facilities were completed in 2004.

Total Gross Floor Area:	435,008 sq.ft.
Number of Floors:	28
Parking Spaces:	332
Year Completed/Renovated:	1977/2004

**Lee Theatre Plaza**

**99 Percival Street, Causeway Bay**

Like its predecessor, Lee Theatre, the Lee Theatre Plaza is a Hong Kong landmark, being one of the territory's Ginza-style shopping, dining and entertainment complexes. It provides easy access to various kinds of transport and the MTR Causeway Bay station. The Plaza houses many of the world's most famous lifestyle brands and is a popular venue for shopping, dining and entertainment.

Total Gross Floor Area:	315,749 sq.ft.
Number of Floors:	26
Year Completed/Renovated:	1994

**Hennessy Centre**

**500 Hennessy Road, Causeway Bay**

Hennessy Centre is an office and retail complex conveniently served by a multitude of public transport including the MTR, bus and trams. The building is home to a popular Japanese department store, a supermarket, three levels of Chinese restaurants and a children's store.

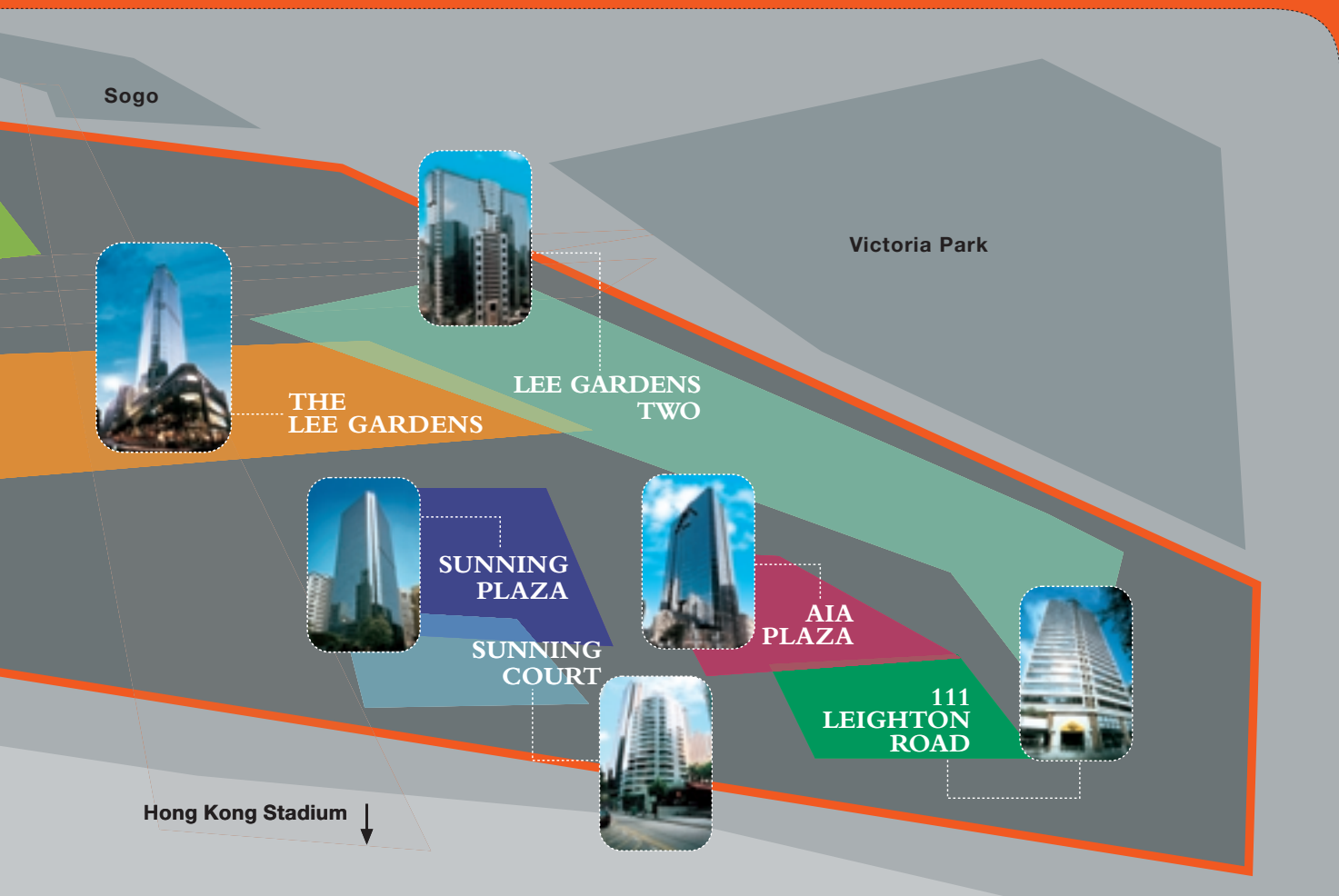
Total Gross Floor Area:	719,642 sq.ft.
Number of Floors:	45
Parking Spaces:	263
Year Completed/Renovated:	1981/upgrading works on building facade were carried out in 2004

**One Hysan Avenue**

**1 Hysan Avenue, Causeway Bay**

Located at the junction of three busy streets in the heart of Causeway Bay, this office and retail complex enjoys a prime location and there is a broad diversity of retail facilities in the surrounding area.

Total Gross Floor Area:	169,019 sq.ft.
Number of Floors:	26
Year Completed/Renovated:	1976/2002



**The Lee Gardens**

**33 Hysan Avenue, Causeway Bay**  
The Lee Gardens is the Group's flagship property comprising an office tower and a high-end shopping centre. The development, close to the MTR Causeway Bay station, enjoys spectacular views of the Harbour and Happy Valley and is home to many international corporations, luxury fashion brands and renowned restaurants.

Total Gross Floor Area:	902,797 sq.ft.
Number of Floors:	53
Parking Spaces:	200
Year Completed/Renovated:	1997

**Lee Gardens Two**

**28 Yun Ping Road, Causeway Bay**  
This is an office and retail complex. The retail podium underwent a comprehensive refurbishment in 2003 and re-launched as Lee Gardens Two. The complex is conveniently linked to the neighbouring The Lee Gardens and is home to many international corporations, luxury fashion brands, renowned restaurants and a children's concept floor.

Total Gross Floor Area:	626,996 sq.ft.
Number of Floors:	34
Parking Spaces:	176
Year Completed/Renovated:	1992/renovation of retail podium in 2003

**Sunning Plaza**

**10 Hysan Avenue, Causeway Bay**  
Designed by the renowned architect I.M. Pei, Sunning Plaza greets tenants and visitors with a spacious entrance and lift lobby. The office complex has 30 levels. Among its retail tenants are popular food and beverage outlets, which have established the Plaza as a hub for relaxation and social recreation.

Total Gross Floor Area:	279,717 sq.ft.
Number of Floors:	30
Parking Spaces:	150 (jointly owned with Sunning Court)
Year Completed/Renovated:	1982

**Sunning Court**

**8 Hoi Ping Road, Causeway Bay**  
The 19-level Sunning Court is a unique residential tower in the dynamic Causeway Bay area. Located in a pleasant environment with streets lined with trees, and within easy reach of all forms of relaxation and entertainment in the surrounding district, the building provides maximum comfort for its tenants. The building underwent refurbishment of its external facade in 2003.

Total Gross Floor Area:	97,516 sq.ft.
Number of Units:	59
Parking Spaces:	150 (jointly owned with Sunning Plaza)
Year Completed/Renovated:	1982/2003

**AIA Plaza**

**18 Hysan Avenue, Causeway Bay**  
AIA Plaza is a 25-level office and retail complex at the corner of Hysan Avenue. The commercial complex boasts a bright and spacious lobby, and houses restaurants, specialty cafes and banking services.

Total Gross Floor Area:	139,119 sq.ft.
Number of Floors:	25
Year Completed/Renovated:	1989

**111 Leighton Road**

**111 Leighton Road, Causeway Bay**  
Located in a pleasant and tranquil area in the heart of Causeway Bay, 111 Leighton Road is an ideal office location for professional and designer firms. The retail shops include a European kitchen concept store and fashion stores.

Total Gross Floor Area:	79,905 sq.ft.
Number of Floors:	24
Year Completed/Renovated:	1988/2004

## REPORT OF THE VALUER

To the Board of Directors  
Hysan Development Company Limited

Dear Sirs,

### Annual revaluation of investment properties as at 31 December 2004

In accordance with your appointment of Knight Frank Hong Kong Limited to value the investment properties in Hong Kong owned by Hysan Development Company Limited and its subsidiaries, we are pleased to advise that the open market value of the properties as at 31 December 2004 was in the approximate sum of Hong Kong Dollars Twenty Eight Billion One Hundred Forty Seven Million One Hundred and Ninety Thousand Only (i.e. HK\$28,147,190,000).

We valued the properties on an open market value basis by capitalising the net income as provided to us with due allowance for outgoings and provisions for reversionary income potential. However, no allowance has been made in our valuation for any expenses or taxation which may be incurred in effecting a sale.

Yours faithfully,  
KNIGHT FRANK HONG KONG LIMITED  
Hong Kong, 23 February 2005

## SCHEDULE OF PRINCIPAL PROPERTIES

as at 31 December 2004

INVESTMENT PROPERTIES				
Address	Lot No.	Use	Category of the Lease	Percentage Held by the Group
1. <b>The Lee Gardens</b> 33 Hysan Avenue Causeway Bay Hong Kong	Sec. DD of I.L. 29, Sec. L of I.L. 457, Sec. MM of I.L. 29, the R.P. of Sec. L of I.L. 29, and the R.P. of I.L. 457	Commercial	Long lease	100%
2. <b>Hennessy Centre</b> 500 Hennessy Road Causeway Bay Hong Kong	Sec. FF of I.L. 29 and the R.P. of Marine Lot 365	Commercial	Long lease	100%
3. <b>Bamboo Grove</b> 74-86 Kennedy Road Mid-Levels Hong Kong	I.L. 8624	Residential	Long lease	100%
4. <b>Lee Gardens Two</b> 28 Yun Ping Road Causeway Bay Hong Kong	Sec. G of I.L. 29, Sec. A, O, F and H of I.L. 457, the R.P. of Sec. C, D, E and G of I.L. 457, Subsec. 1 of Sec. C, D, E and G of I.L. 457, Subsec. 2 of Sec. E of I.L. 457 and Subsec. 1, 2, 3 and the R.P. of Sec. C of I.L. 461	Commercial	Long lease	65.36%
5. <b>Leighton Centre</b> 77 Leighton Road Causeway Bay Hong Kong	Sec. B, C and the R.P. of I.L. 1451	Commercial	Long lease	100%
6. <b>Lee Theatre Plaza</b> 99 Percival Street Causeway Bay Hong Kong	I.L. 1452, the R.P. of I.L. 472 and 476	Commercial	Long lease	100%
7. <b>Sunning Plaza</b> 10 Hysan Avenue Causeway Bay Hong Kong	The R.P. of Subsec. 1 of Sec. J of I.L. 29, Subsec. 2 of Sec. J of I.L. 29 and the R.P. of Sec. J of I.L. 29	Commercial	Long lease	100%
8. <b>Sunning Court</b> 8 Hoi Ping Road Causeway Bay Hong Kong		Residential	Long lease	100%
9. <b>Entertainment Building</b> 30 Queen's Road Central Hong Kong	The R.P. of I.L. 16 and the extension thereto	Commercial	Long lease	100%
10. <b>One Hysan Avenue</b> 1 Hysan Avenue Causeway Bay Hong Kong	The R.P. of Sec. GG of I.L. 29	Commercial	Long lease	100%
11. <b>AIA Plaza</b> 18 Hysan Avenue Causeway Bay Hong Kong	Sec. N of I.L. 457 and Sec. LL of I.L. 29	Commercial	Long lease	100%
12. <b>111 Leighton Road</b> 111 Leighton Road Causeway Bay Hong Kong	Sec. KK of I.L. 29	Commercial	Long lease	100%