PROPERTY

Bellagio (effectively 74%-owned)

Bellagio, in Sham Tseng on the western shore of the New Territories overlooking the Tsing Ma Bridge, is a joint-venture development equally owned by Wheelock, Wheelock Properties ("WPL") and Wharf. Virtually all of the 1,704 units in Towers 6, 7, 8 and 9 have been sold.

Towers 1, 2, 3 and 5 with a total of 1,641 units were completed in early 2006. Cumulative sales have reached 1,048 units (or 61%) by the end of March 2006.

Sorrento (effectively 66%-owned)

Sorrento is a joint-venture project with MTRC above the Kowloon Station, owned by a consortium comprising Wheelock (20%), WPL (40%), Wharf (20%) and Harbour Centre Development (20%). Virtually all of the 854 units in Phase II have been sold by March 2006.

Lane Crawford House (wholly-owned)

The office tower was 92% leased at satisfactory rental rates. The majority of the retail podium has been committed to a large and reputable international retailer on favourable terms and that lease is expected to commence in November.

WHEELOCK PROPERTIES LIMITED (A 74%-OWNED LISTED SUBSIDIARY)

Profit for WPL rose by 21% to HK$2,234 million for the year ended 31 March 2006 (2005: HK$1,842 million). Excluding the unrealised surplus from the revaluation of investment properties and property write-back, profit rose by 12% to HK$1,017 million (2005: HK$912 million).

WPL effectively owns 40% and 33.33% of Sorrento and Bellagio respectively.

Parc Palais, a one-million-square-foot GFA residential development in Homantin, is owned by a five-member consortium comprising WPL (20%), New World Development (30%), Sino Land (30%), Chinese Estates (10%) and Manhatten Garments (10%). 92% of the 700 units (652 units) have been sold by March 2006.

Wheelock House and Fitfort were 94% and 90% leased respectively at satisfactory rental rates.

During the year, the Group received a cash dividend of HK$123 million (2005: HK$108 million) from WPL.

Wheelock Properties (Singapore) Limited (a 76%-owned listed subsidiary of WPL)

Profit for Wheelock Properties (Singapore) Limited ("WPSL") declined by 7.3% to S$183.7 million (HK$859 million) for the financial year under review (2005: S$198.1 million or HK$925 million) as a result of lower contribution from development properties.

In March 2006, WPSL acquired a 21% equity interest in the Singapore listed hotelier and investment company Hotel Properties Limited at a consideration of S$171.4 million (HK$823 million).

Development Properties

The remaining 11 units of Grange Residences, a 164-unit residential condominium development, were sold during the year. 92 units were sold in 2005.

Pre-sales of the residential condominium developments The Sea View (546 units) and The Cosmopolitan (228 units) have reached 79% and 70% respectively by March 2006.

WPSL acquired in March 2006 The Habitat II for S$103.9 million (HK$499 million), which will be amalgamated with the adjoining Ardmore View site and redeveloped into a prime residential condominium development for sale, to be known as Ardmore II. Planning of the sales gallery and show flat is underway, with target completion by September 2006.

Demolition of Orchard View (formerly known as Angullia View) was completed and development is underway.

The Scotts Shopping Centre and serviced apartment The Ascott Singapore were 97% and 87% leased respectively during the year at satisfactory rental rates. The property will be demolished and redeveloped into a residential and commercial complex in the first half of 2007.

Investment Properties

Wheelock Place, a commercial development in Singapore, and Oakwood Residence Azabujuban, a serviced apartment development in Tokyo, were 95% and 93% leased respectively at satisfactory rental rates.

Property Agency

Hamptons, the UK-based estate agency, became a wholly-owned subsidiary of WPSL in April 2005. Hamptons, whose principal activities include residential agency, lettings and management, investment and development sales, generated revenue of £58.8 million or HK$800 million during the year (2005: £55.8 million or HK$756 million) and profit of £3.2 million or HK$43 million (2005: £4.0 million or HK$54 million).

THE WHARF (HOLDINGS) LIMITED (A 48%-OWNED LISTED ASSOCIATE)

Wharf reported a profit attributable to shareholders of HK$13,888 million for its financial year ended 31 December 2005 (2004: HK$12,677 million). Excluding the unrealised surplus from the revaluation of investment properties, profit rose by 20% to HK$4,499 million (2004: HK$3,740 million).

Harbour City (wholly-owned by Wharf)

Harbour City, the core investment property asset of Wharf, turned over HK$3,332 million during 2005, an increase of 9% over 2004.

Improved local sentiment and rising tourist arrivals improved retail rental by 8% to HK$1,287 million. Average retail occupancy was maintained at 99% throughout 2005 with favourable rental growth. Driven by the on-going trade-mix enhancement and powerful marketing and promotions, tenants at Harbour City reported a 17% increase in average sales per square foot during the year and a record high in December 2005 to exceed HK$1,200.

The office sector reported turnover growth of 6% to HK$1,002 million, underpinned by strong rental reversion. Average office occupancy climbed steadily to 97% in 2005. Office rentals improved considerably on the back of an upbeat business environment and a shortage of new supply in Grade A offices.

Turnover for the serviced apartments sector registered an increase of 14% to HK$220 million with higher occupancy and considerable rental growth. The three hotels at Harbour City performed well during the year, with consolidated occupancy of 89% and a healthy 20% growth in average room rate.

Times Square (wholly-owned by Wharf)

Times Square, another core asset of Wharf, turned over HK$886 million in 2005 for an increase of 6% over 2004.

Aided by robust retail spending and encouraging visitor arrivals, the retail sector recorded a revenue growth of 5% to reach HK$630 million. Average retail occupancy was maintained at 99% with substantial rental growth recorded for new leases and renewals.

The office sector registered turnover growth of 8% to HK$256 million, resulting from significant improvement in reversionary rentals and higher occupancy. Occupancy grew to 96% at the end of 2005.

Modern Terminals (a 68%-owned subsidiary of Wharf)

Revenue and operating profit of Modern Terminals increased by 6% and 5% respectively during 2005, boosted by significant throughput growth.

Throughput grew by 16% to 5.04 million TEUs, driven by feeder, trans-shipment and intra-Asia volume. At the end of 2005, Modern Terminals' market share in Kwai Chung improved to 35.3% from 32.5% in 2004. Upgrading of facilities at CT1, 2 and 5 during the year continued to enhance operational efficiency and handling capacity.

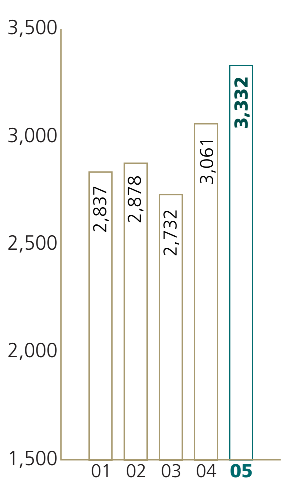
In China, Chiwan Container Terminals and Shekou Container Terminals handled 2.8 million TEUs and 2.2 million TEUs respectively during 2005. Phase I of Taicang (51%-owned by Modern Terminals) handled 251,000 TEUs in 2005. Phase II of Taicang (70%-owned by Modern Terminals) will commence operation in the second half of 2006. Phase I of Dachan Bay in Shenzhen West (65%-owned by Modern Terminals) will commence operation by the end of 2007.

i-CABLE (a 73%-owned listed subsidiary of Wharf)

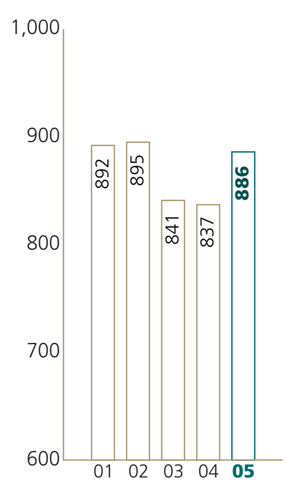
Turnover rose by 3% to HK$2,441 million and operating profit declined by 5% to HK$282 million.

Revenue from the Pay TV segment was virtually unchanged at HK$1,884 million for the year under review, in the face of keener competition in the marketplace. Operating profit fell by 28% to HK$337 million. CABLE TV reported a year-on-year subscription growth of 5% to 738,000 at the end of 2005 despite aggressive competition. Content differentiation, particularly fresh and local production, has been the key to success in the Pay TV sector.

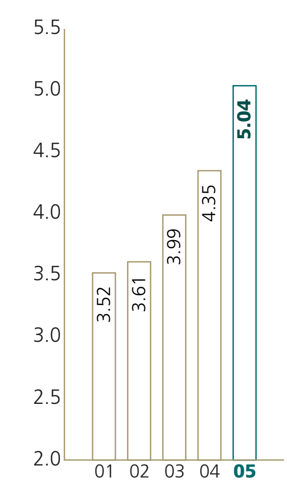
Harbour City: Gross Revenue
(HK$ Million)



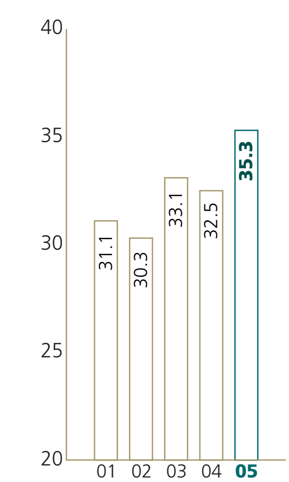
Times Square: Gross Revenue
(HK$ Million)



Modern Terminals: Throughput
(Million TEUs)



Modern Terminals: Market Share
(%)



Internet & Multimedia segment achieved solid performance with turnover rose by 16% to HK$558 million during 2005. Operating profit improved by a remarkable HK$122 million to HK$78 million. Broadband subscriber base grew by 10% to 320,000 at the end of 2005. To benefit from the triple-play bundling, closer co-operation was developed with fellow subsidiary Wharf T&T in both marketing and operation of voice lines provided over i-CABLE's network infrastructure, installed base more than quadrupled in 2005 to 120,000 versus 29,000 as at the end of 2004.

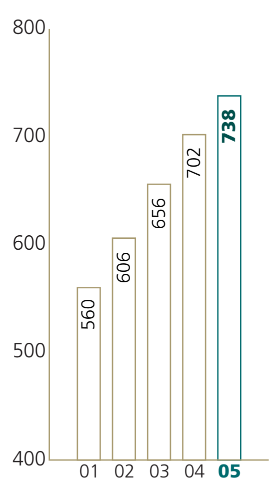
Wharf T&T (wholly-owned by Wharf)

Wharf T&T group, including COL and EC Telecom, increased its total revenue by 2% to HK$1,478 million during 2005, with operating profit grew by 89% to HK$104 million. Free cashflow rose by 511% to HK$94 million.

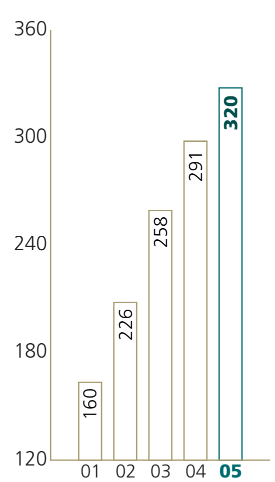
The fixed line installed base grew by 48,000 or 10% to reach 523,000, representing an overall market share of 13%. Total outgoing IDD volume grew by 11% in 2005 to 558 million minutes. In the residential sector, the fixed line business was transferred to i-CABLE Telecom Limited, with a view to facilitating the bundling of voice with broadband service. In the business sector, COL was made a wholly-owned subsidiary of Wharf T&T, enabling the companies to be positioned as an integrated IT and Telecom solution and services provider.

For the financial year under review, total cash dividends received by the Group from Wharf amounted to HK$880 million (2005: HK$743 million).

i-CABLE: Pay TV Subscribers
(in thousands)



i-CABLE: Broadband Subscribers
(in thousands)



Wharf T&T: Gross Revenue
(HK$ Million)