

# REVIEW OF OPERATIONS

## (1) LAND BANK

As at 30th June, 2006, Sino Group had 27.5 million square feet of land bank. The Group's land bank now comprises a well-diversified portfolio of properties: residential (57%), commercial (27%), industrial (8%), car parks (5%) and hotels (3%). Most of the developments currently under construction are located in popular locations and conveniently served by various modes of transportation, including railway and subway lines.

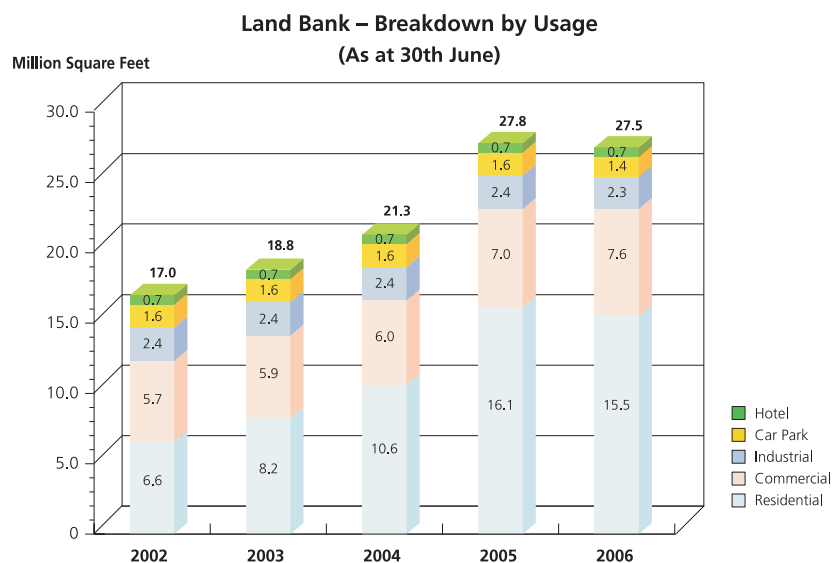
The Group's commercial, industrial buildings, car parks and hotels, namely The Fullerton Singapore and Conrad Hong Kong are held mainly for long-term investment, thereby generating a stable stream of recurrent income for the Group. The following table shows the detailed breakdown of the Group's land bank as at 30th June, 2006.

	By Status and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
Development for Sale	14,712,464	2,357,732	-	12,861	38,750	17,121,807	62%
Properties for Investment/ Own Use	252,677	5,165,917	1,932,095	1,445,288	631,929	9,427,906	34%
Completed Properties for Sale	578,862	40,738	332,122	-	-	951,722	4%
	<b>15,544,003</b>	<b>7,564,387</b>	<b>2,264,217</b>	<b>1,458,149</b>	<b>670,679</b>	<b>27,501,435</b>	<b>100%</b>
<b>Percentage</b>	<b>57%</b>	<b>27%</b>	<b>8%</b>	<b>5%</b>	<b>3%</b>		<b>100%</b>

	By Location and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
New Territories	4,970,191	2,046,859	644,007	1,000,234	-	8,661,291	31%
Kowloon	996,604	2,953,075	1,620,210	391,452	-	5,961,341	22%
Hong Kong Island	318,285	1,141,064	-	53,602	165,506	1,678,457	6%
China	9,258,923	1,321,213	-	12,861	38,750	10,631,747	39%
Singapore	-	102,176	-	-	466,423	568,599	2%
<b>Total</b>	<b>15,544,003</b>	<b>7,564,387</b>	<b>2,264,217</b>	<b>1,458,149</b>	<b>670,679</b>	<b>27,501,435</b>	<b>100%</b>

# REVIEW OF OPERATIONS

## (1) LAND BANK (Continued)



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

### One SilverSea (100% owned)

18 Hoi Fai Road, West Kowloon

The site is located at the waterfront of West Kowloon Reclamation area. It is adjacent to Island Harbourview and is about a 5-minute walk from the MTR Olympic Station. The project offers approximately 700 residential flats and 112,483 square feet of commercial space. Marketing of the project commenced in September 2005 and it was very well received with over 80% of the total residential units sold. An occupation permit was obtained in June 2006.

### Mount Beacon (33.3% owned)

20 Cornwall Street, Kowloon Tong, Kowloon

The site is located in the most sought after area in Kowloon Tong within easy walking distance from the MTR and KCR Kowloon Tong Stations. The luxury development comprises 197 residential apartments and 22 luxurious townhouses with full clubhouse facilities. It was rolled out to market in July 2005 to an encouraging response from the market. Over 70% of all the units have now been sold. The development was completed in April 2006. The apartments and houses sold have been handed over to the owners since August 2006.

## Review of Operations *(Continued)*

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

#### **One HoneyLake, Shenzhen, PRC (50% owned)**

Xiangmei Road, Futian District, Shenzhen, PRC

The Group has formed a 50/50 joint venture with a renowned property company to acquire a prime site alongside the Honey Lake in Futian District, Shenzhen from a public land auction in April 2004. The development affords a total of 447 luxurious residential units consisting of 14 semi-detached houses, 79 terrace houses, 36 low-rise villas and 318 high-rise apartments. Phase I was completed in financial year 2005/2006 and the remaining units comprising mainly high-rise apartments are expected to be completed within the financial year 2006/2007.

#### **Chengdu International Community, Sichuan, PRC (20% owned)**

Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan, PRC

Acquired in 2004, the site is jointly developed with a renowned property company. Upon completion, the development will yield a total of approximately 13 million square feet of gross floor area comprising approximately 8,000 residential units, approximately 721,000 square feet of commercial space and approximately 193,000 square feet of hotel. During the financial year 2005/2006, approximately 1,170 residential units were launched onto the market with over 80% of the units launched sold. Part of Phase I with approximately 312,000 square feet of residential space was completed in the financial year ended 30th June, 2006. The entire project is expected to be completed in phases over the next few years up to 2010.

### (3) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED IN PREVIOUS YEAR

#### **Residence Oasis (60% owned)**

MTR Hang Hau Station, Tseung Kwan O, New Territories

The Group was awarded the tender to develop a residential-cum-shopping mall project with a total gross floor area of approximately 1.5 million square feet over the MTR Hang Hau Station in June 2002. The project comprises 2,130 residential units in 6 towers, complemented by a residents clubhouse of approximately 180,000 square feet. The clubhouse, which offers a wealth of leisure and sports facilities such as an 80 metres outdoor swimming pool, a 400 metres long jogging trail and barbecue facilities, is highlighted with a children's play area with an innovative design concept. Named 'Kids Town', the play area is divided into different sections, each of which has its own distinctive features and facilities that help to foster a child's interests. The project had been well received by the market since its initial launch in 2003, and virtually all units have been sold. The occupation permit for the development was obtained in December 2004.

## Review of Operations *(Continued)*

### **(3) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED IN PREVIOUS YEAR** *(Continued)*

#### **The Royal Oaks (100% owned)**

8 Kam Tsin South Road, Sheung Shui, New Territories

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. The development consists of 44 quality detached country style houses. The occupation permit of this project was obtained in December 2004.

#### **St Andrews Place (100% owned)**

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

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 occupation permit was obtained in June 2005.

#### **Anglers' Bay (50% owned)**

18 Castle Peak Road, Sham Tseng, New Territories

The development consists 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. Marketing of the project started in July 2003 and the occupation permit was obtained in October 2004. Over 98% of all the units have been sold.

#### **Caldecott Hill (33.3% owned)**

2 Caldecott Road, Piper's Hill, Kowloon

This redevelopment project, located at the mid-levels of Piper's Hill, consists of 88 luxurious low-rise and low-density residential apartments with views overlooking the Kowloon Peninsula. The project, was marketed in March 2004 with over 80% of the units sold. The occupation permit was obtained in November 2004.

#### **Parc Palais (30% owned)**

18 Wylie Road, King's Park, Kowloon

This luxurious residential estate consists of 700 flats and a 3-storey clubhouse/car park podium and is located in King's Park, one of the most sought after residential areas in Kowloon. The development was completed in February 2004 and over 94% of the total number of residential units has already been sold by now since it was launched onto the market in August 2003.

## Review of Operations *(Continued)*

### **(4) HIGHLIGHTS OF THE GROUP'S MAJOR DEVELOPMENT PROPERTIES**

#### **Vision City (100% owned)**

1 Yeung Uk Road, Tsuen Wan, New Territories

Acquired in July 2002, the site is opposite to the Tsuen Wan City Hall and about an 8-minute walk from the MTR Tsuen Wan Station and a 5-minute walk from Tsuen Wan West Station on KCR West Rail. Approximately 1,466 residential flats in 5 towers with a total gross floor area of approximately 1.15 million square feet and over 245,000 square feet of retail space are expected to be built. The development was launched to the market in April 2006 with over 40% of the total units sold. This project is expected to be completed in the financial year 2006/2007.

#### **Ho Tung Lau Site (100% owned)**

STTL 470, Shatin, New Territories

The Group was awarded the development rights of Ho Tung Lau from Kowloon-Canton Railway Corporation in November 2002. The site is opposite to Shatin Race course and only a 1-minute walk from the KCR Fo Tan Station. Upon its completion which is estimated in March 2008, the project will yield a total of approximately 1.3 million square feet of residential space providing over 1,370 units in 10 towers and 21,528 square feet of retail space.

#### **Wu Kai Sha Site (100% owned)**

STTL 530, Wu Kai Sha, New Territories

On 24th June 2005, the Group was awarded the tender by Kowloon-Canton Railway Corporation to develop a 367,601 square feet site atop the KCR Wu Kai Sha Station on the East Rail Extension. Upon completion expected in the financial year 2008/2009, the project will yield a total of 1.8 million square feet of residential space and 43,056 square feet of retail space. It is anticipated that a total of over 2,300 high-quality residential units with special features and design will be built on this project.

#### **53 Conduit Road, Hong Kong (100% owned)**

The remaining portion of Inland Lot No. 2138 and Inland Lot No. 2613, Hong Kong Island, Hong Kong

In August 2004, the Group successfully won a tender from a private landlord to redevelop this prime residential site. This luxury residential development will yield a total of 64,272 square feet of gross floor area. Construction is expected to be completed in the financial year 2008/2009.

## Review of Operations *(Continued)*

### **(4) HIGHLIGHTS OF THE GROUP'S MAJOR DEVELOPMENT PROPERTIES** *(Continued)*

#### **464-474 Castle Peak Road, Sham Shui Po, Kowloon (100% owned)**

New Kowloon Inland Lot No. 1175 – 1177, Kowloon

In August 2004, the Group entered into a sale and purchase agreement for a site of approximately 6,449 square feet located in Sham Shui Po, Kowloon. The site has been designated for residential and retail developments. The project is only a 5-minute walk from MTR Lai Chi Kok Station. A total of 59,028 square feet of gross floor area with over 130 residential units will be built. The project is expected to be completed in July 2007.

#### **Fuk Wing Street and Fuk Wa Street, Sham Shui Po, Kowloon (100% owned)**

New Kowloon Inland Lot No. 6425, Kowloon

In September 2004, the Group successfully won the joint development contract from the Urban Renewal Authority to develop the site at Fuk Wing Street/Fuk Wa Street in Sham Shui Po, which is only a 2-minute walk from the MTR Sham Shui Po Station. On completion, the development will yield a total of 134,044 square feet of gross floor area. The site will be developed for residential and retail purposes. Over 170 units will be built for this project. The project is scheduled for completion in the financial year 2007/2008.

#### **Yeung Uk Road Site, Tsuen Wan, New Territories (100% owned)**

TWTL 394, Tsuen Wan, New Territories

The Group was awarded the development rights by the Urban Renewal Authority to redevelop a site in Yeung Uk Road in Tsuen Wan in April 2004. The development will be well served by a wide range of public transportation including the two railway line KCR West Rail as well as MTR Tsuen Wan Line. Upon completion, this development will offer 288,160 square feet of residential space and 191,568 square feet of retail space. Approximately 270 units will be built on completion. Combining the residential and retail spaces of Vision City project, it will create a shopping hub for the entire centre of Tsuen Wan. Construction will be completed in the financial year 2008/2009.

#### **305 Castle Peak Road, Sham Shui Po, Kowloon (100% owned)**

New Kowloon Inland Lot No. 939, Kowloon

Acquired in October 2004, the site is located in Sham Shui Po area and it is about a 3-minute walk from MTR Cheung Sha Wan Station. The development affords over 130 residential units with a total gross floor area of 65,042 square feet. The project is expected for completion in the financial year 2007/2008.

## Review of Operations *(Continued)*

### **(4) HIGHLIGHTS OF THE GROUP'S MAJOR DEVELOPMENT PROPERTIES**

*(Continued)*

#### **Ma Wo, Tai Po, New Territories (100% owned)**

TPTL 179, Tai Po, New Territories

In November 2004, the Group entered into a sale and purchase agreement for a plot of agricultural land of 63,603 square feet in Ma Wo, Tai Po, New Territories. The site will be used for residential development. Modification of the lease has been granted by the HKSAR Government. It is expected that a total of 114,486 square feet of gross floor area will be completed in May 2008.

#### **Junction of Sheung Yuet Road and Wang Chiu Road, Kowloon Bay, Kowloon (100% owned)**

New Kowloon Inland Lot No. 6310, Kowloon Bay, Kowloon

The site was acquired through a land auction on 22nd February, 2005. Conveniently located near MTR Kowloon Bay Station and connected by the East Kowloon Expressway, this commercial building will offer approximately 609,027 square feet of gross floor area upon completion in July 2008. It is anticipated that a mix of office and retail spaces will be built to optimise rental returns.

#### **256 Hennessy Road, Wan Chai, Hong Kong Island (100% owned)**

IL 2769, Wan Chai, Hong Kong

The site was acquired in December 2004. It is conveniently located in a vibrant business area near MTR Wan Chai Station. The site is designated for commercial development. Upon completion expected in October 2007, the building will contain 71,862 square feet of commercial space.

#### **Zhangzhou Site, Fujian Province, PRC (100% owned)**

2004G12 North of Zhangxiang Road, Zhangzhou, Fujian Province, PRC

The site was acquired on 2nd June, 2005 with a substantial portion designated for residential development and a minor portion for commercial use. Upon completion which is expected to be by phases and beyond 2010, a total of approximately 5.3 million square feet of gross floor area will be built. Subject to final design and construction plan, it is anticipated that a total of approximately 4,000 residential units will be built.

## Review of Operations *(Continued)*

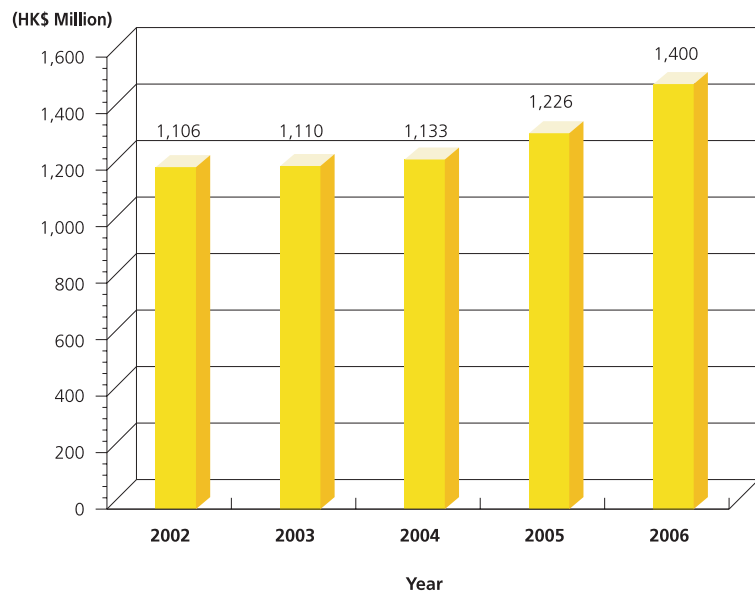
### (5) PROPERTIES FOR INVESTMENT/OWN USE

The Group's properties for investment, including attributable share in associated companies, was approximately 9.4 million square feet as at 30th June, 2006. The portfolio comprises properties of diversified usage:

Use	Gross Floor Area (Square feet)	Percentage
Office/Retail	5,165,917	54%
Industrial	1,932,095	20%
Car parks	1,445,288	15%
Hotels	631,929	8%
Residential	252,677	3%
	<b>9,427,906</b>	

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 reached a new benchmark of HK\$1,400 million for the financial year 2005/2006.

**Gross Rental Income**  
(including those from associated and related  
companies attributable to the Group)  
(For the years ended 30th June)





## Review of Operations *(Continued)*

### **(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE**

#### **Tuen Mun Town Plaza, Phase I (100% owned)**

1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun, New Territories

In the eighteen 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, 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 occupancy rate for the entire retail complex was close to full occupancy throughout the year.

#### **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 Olympian City 1 and 2 are inter-connected and linked to the MTR Olympic Station and offer in excess of 650,000 square feet of retail spaces. This development is 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, a variety of 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.

#### **Island Resort Mall (40% owned)**

28 Siu Sai Wan Road, Hong Kong

Island Resort Mall provides 189,190 square feet of retail space 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. Served by different bus companies with more than 20 bus routes, it links 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.

## Review of Operations *(Continued)*

### **(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE** *(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), the pedestrian flow in the complex is enjoying encouraging growth, underpinning good business opportunities for office tenants, the retail tenants and hotel operation. The renovation of the retail space was completed in November 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. With this facelift, pedestrian flow recorded strong growth and demand for the retail space showed improvement.

#### **Oceania Heights (100% owned)**

2 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 including KCR West Rail. The existing local Light Rail system provides a convenient link with new towns within North West New Territories. The site is well served by public recreational facilities, schools and is approximately a 10-minute walk from Tuen Mun Town Plaza, Phase I. All the 544 resident units have been sold. The occupation permit of the project was obtained in September 2004. The 29,082 square feet of retail space have been retained as rental property providing good rental to the Group.

#### **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 Financial and Business District and on the seafront. Re-developed into a prestigious, world-class, 5-star deluxe 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. During the financial year 2005/2006, the hotel achieved strong growth mainly due to rising business activities and tourist arrivals.

## Review of Operations *(Continued)*

### **(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE *(Continued)***

#### **The Fullerton Singapore and One Fullerton *(Continued)***

The project has received a number of awards in recognition of its architectural design and concept. Awards received include Awards of Excellence by Urban Land Institute (2004), FIABCI Prix d'Excellence under the Leisure Category Winner (2003), Urban Redevelopment Authority Architectural Heritage Award 2001 and the Singapore Institute of Architects Architectural Design Award 2001 (Conservation Category). In terms of quality of service, the hotel clinched the 8<sup>th</sup> highest spot in the Overseas Business Hotels category of the Condé Nast Traveller (UK) Ninth Readers' Travel Awards 2006, won the 4<sup>th</sup> Best Business Hotel in Asia and 5<sup>th</sup> Best Conference Hotel in Asia in the Smart TravelAsia.com Best in Travel Poll 2006. It was ranked 2<sup>nd</sup> in the Best Hotel in Singapore (2005) by Finance Asia Business Travel Poll Awards. It was on the Condé Nast Traveler Gold List (2005) and was awarded the eighth in Condé Nast Traveller (UK) Readers' Travel Awards – Overseas Leisure Hotels, Asia & the Indian Subcontinent, the third in Condé Nast Traveler Readers' Choice Awards Top Ten Hotels, Asia Category in 2004. It was voted as one of the World's Best Hotels by Institutional Investor and bestowed SPRING Singapore (Standards, Productivity and Innovation Board) Singapore Service Class Award in 2004.

#### **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. In the financial year 2005/2006, the hotel was awarded The World's 500 Best Hotels by Travel & Leisure magazine, USA and Best Hotels in Asia by Asian Legal Business magazine, Hong Kong. It was also on the 2006 Gold List of the Condé Nast Traveller magazine.

#### **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)*

### **(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE** *(Continued)*

#### **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. The project was completed in November 2003, providing a total attributable gross floor area of 413,915 square feet. It has achieved high occupancy with favourable rental in financial year 2005/2006.

#### **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 restaurants nearby.

#### **Futura Plaza (100% owned)**

111-113 How Ming Street, Kwun Tong

This 26-storey building located in Kwun Tong is approximately 3-minute walk from the MTR Kwun Tong Station. The property has been converted its usage from industrial usage to an office building. 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 project has enjoyed high occupancy.

## Review of Operations *(Continued)*

### **(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE *(Continued)***

#### **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 completion of East Tsim Sha Tsui Extension on the KCR East Rail has been instrumental in bringing in more shoppers' traffic into the area. The Tsim Sha Tsui Promenade Beautification Scheme scheduled for completion by phases by 2006 will further boost traffic flow to the area as well. The occupancy rate for this property is satisfactory.

#### **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 office 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.

## Review of Operations *(Continued)*

### **(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE** *(Continued)*

#### **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.

#### **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.

#### **Commercial Parts of Rosedale Gardens (100% owned)**

133 Castle Peak Road, Tuen Mun, New Territories

Acquired in May 2005, the commercial parts of Rosedale Gardens comprise two-level shopping arcade of approximately 35,213 square feet and 38 carparking spaces. It is conveniently located near KCR Light Rail's Ho Fuk Tong Station.

#### **Raffles City Shanghai (19% owned)**

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

The building is jointly developed by several international property developers. 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 project was completed in October 2003, yielding a total of 1.35 million square feet of gross floor area. The retail precinct is fully occupied whereas the office space has enjoyed high occupancy.

## Review of Operations *(Continued)*

### (7) CORPORATE AFFAIRS

The Group affirms its commitment to maintaining a high degree of corporate transparency as well as good communication with banks, research analysts and investors. The Corporate Finance Department has used various channels including regular meetings with investors, fund managers and analysts; investor conferences; site visits, result briefings and the web site ([www.sino-land.com](http://www.sino-land.com)) to disseminate information on the Group's latest developments. During the financial year 2005/2006, we have attended a total of 5 investor conferences and participated in 8 non-deal roadshows.

Date	Type	Region/Country/City	Organiser
Sep-05	Conference	Hong Kong	CLSA Limited
Sep-05	Non-deal roadshow	Hong Kong	CLSA Limited and HSBC Securities (Asia) Limited
Sep-05	Conference	New York	J.P. Morgan Securities (Asia Pacific) Limited
Oct-05	Non-deal roadshow	Europe	Goldman Sachs (Asia) L.L.C.
Oct-05	Non-deal roadshow	Tokyo	DBS Vickers (HK) Limited
Nov-05	Conference	Singapore	Morgan Stanley Dean Witter Asia Limited
Jan-06	Non-deal roadshow	Tokyo and Singapore	HSBC Securities (Asia) Limited
Feb-06	Conference and Non-deal roadshow	Europe	ABN AMRO Asia Limited
Mar-06	Non-deal roadshow	Hong Kong	HSBC Securities (Asia) Limited
Mar-06	Non-deal roadshow	Europe and United States	HSBC Securities (Asia) Limited
May-06	Conference	Sydney	Macquarie Securities Limited
May-06	Non-deal roadshow	United States	J.P. Morgan Securities (Asia Pacific) Limited

In September 2006, Sino Land obtained the following awards in the 'Euromoney 2006 Awards for Excellence' in recognition of its market strength, profitability, growth potential and quality of management and earnings:

- No.1 – 'Most Improved Best Managed Company in Asia'
- No.3 – 'Best Managed Company in Hong Kong'
- No.5 – 'Best Managed Property Company in Asia'
- Top ten – 'Best Managed Company Overall in Asia'

Management would like to thank everyone who nominated Sino Land for this year's awards. The encouragement and support from investment and finance professionals will continue to motivate management to further improve the quality of the products and services.

Sino Land is one of the constituent stocks in the Hang Seng Index as well as Hang Seng Properties Sub-index.

## Review of Operations *(Continued)*

### **(7) CORPORATE AFFAIRS** *(Continued)*

Sino Club, established in July 1997, has now grown to a membership base of close to 60,000 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.

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

Human capital is one of the most important assets of the Group. As at 30th June, 2006, the Group employed approximately 6,400 staff members. During the financial year 2005/2006, the Group held various internal and external training programmes for its employees designed, inter alia, to raise yet higher the standard of service, promote staff's awareness of the need to first understand the varying needs of their customers better to provide them with quality care and service. Language proficiency, professional knowledge, management know-how, corporate governance, productivity and efficiency are all areas that are addressed by various programmes and seminars.

Courses are organized to improve language skills; customer relations and customer service; information technology; self-enhancement initiatives and environmental conservation. Office administration, property management and project management as well as knowledge in relation to corporate governance are also high on the training agenda.



## Review of Operations *(Continued)*

### **(8) EMPLOYEE PROGRAMME** *(Continued)*

Our mission is to be recognized as the Group that consistently provides Hong Kong with the very best in products and service and, ultimately, to make the Group the 'The Preferred Choice for Customers, Investors and Employees'.

New courses will continually be developed to meet corporate and specific career planning needs. During the year, a number of new courses or seminars were introduced, comprising seminars on the new code of corporate governance, issues in relation to connected transactions and notifiable transactions and code for dealing in the company's securities by relevant employees to enable all the key and relevant staff to better understand the issues involved.

As the economic and social ties between the Mainland and Hong Kong strengthen, the Group continues its efforts in promoting the use of Putonghua amongst staff by providing courses for various levels on a regular basis. It is the Group's policy that all staff members, in particular those in front-line positions, must uphold meticulous standards in customer service.

The Group has always laid particular emphasis on promoting good team-work as an essential element in the efficient and effective use of human resources, internal procedures and systems. Teamwork serves to focus individual achievement upon the objectives of the Group, which results in better quality of products and services. During the financial year 2005/2006, several workshops and seminars on team-building and leadership were organised in order to promote the spirit and skills of teamwork.

### **(9) PROPERTY MANAGEMENT**

As a fully integrated company, the Group provides property management, cleaning, security, building maintenance and related services through its wholly-owned subsidiaries, Sino Estates Management Limited ("SEML"), Sino Estates Services Limited, Best Result Cleaning Services Limited, Sino Security Services Limited and its associated company, Sino Parking Services Limited. The property management portfolio will continuously expand in parallel with the property development programme of the Group. The Group's management portfolio consists of over 170 projects with an aggregate gross floor area in excess of 48 million square feet.

## Review of Operations *(Continued)*

### **(9) PROPERTY MANAGEMENT** *(Continued)*

During the financial year 2005/2006, the Group carried out comprehensive training programme on a regular basis, covering all aspects of property management with the main emphasis being on customer service. Management continues to stress the need for excellent communication and to this end actively encourages staff to attend the various language courses provided by the Group and upgrade the existing communication system and channels to ensure information and instructions can be cascaded down to all relevant levels of staff; good and constructive ideas and suggestions for further improvement in quality of service can be passed to senior executives effectively.

To cope with the Group's expansion of its property management operations and to meet customers' expectations of quality service and lifestyle environments, the Group will continue to review, and where necessary upgrade, its services to achieve even higher standards of property management services.

During the financial year under review, SEML received a number of awards from HKSAR Government in recognition of its quality of service, management capability and promotion of environmental protection. It also participated in a number of charitable events.

SEML has identified the importance of saving energy for environmental protection and cost saving for the customers. Considerable efforts have been made to ensure energy is more efficiently use in the past few years. As a result of these endeavours, SEML has been able to lower levels of electricity consumption in four main areas namely lighting, electrical appliances or equipment, air conditioning and lift and escalator. Approximately ten properties being managed by SEML was granted certificates under The Hong Kong Energy Efficiency Registration Scheme for Buildings by the Electrical and Mechanical Services Department of the HKSAR Government in the financial year 2005/2006. On accumulated basis, over 50 buildings have received the certificates.

During the financial year ended 30th June, 2006, SEML received awards in the Quality Building Management Competition organised by district councils for acknowledging its outstanding service standard and quality for fourteen buildings that it manages. SEML will continue to improve its service in its pursuit of better lifestyle for its customers.

## Review of Operations *(Continued)*

### **(9) PROPERTY MANAGEMENT** *(Continued)*

In the pursuit of healthy living and a better quality of life, SEML has made efforts to keep high standard of hygiene. Over thirty projects in which SEML provides management services were awarded certificates under the Fresh Water Plumbing Quality Maintenance Recognition Scheme by the Water Supplies Department of the HKSAR. Two projects being managed by SEML were granted Gold Award in 2006 Best Landscaping Awards (non-residential properties) and about nine projects received Indoor Air Quality Certificate.

Best Result Cleaning Services Limited, a wholly-owned subsidiary of the Company specializing in cleaning, pest control, grease and water tank cleaning, achieved two awards in the financial year 2005/2006: Champion in 2005 Kwun Tong Cleaning Competition (Private Housing) by Kwun Tong District Council and Kwun Tong District Office for upholding the high standard of cleaning in Metro Centre II and Champion in 2005 Best Cleaning Contractor Award by Property Management Department of MTR Corporation Limited for two projects namely Central Park and Park Avenue for which the company undertakes cleaning service.

Sino Security Services Limited, a wholly-owned subsidiary of the Company, has continued to donate its used-uniforms to the Salvation Army on a regular basis since 2004. The Youth Pre-employment Training Programme, first began in 2001, will continue as an on-going programme to assist young people who are interested in gaining more on-the-job training and experience. It received the Certificate of The Best Employer from Hong Kong Workers' Health Centre and Certificate of Outstanding Performance from Employees Retraining Board in October 2005 and January 2006 respectively.

The Group will through its property management arms Sino Estates Management Limited, Sino Security Services Limited and Best Result Cleaning Services Limited continue to explore new business opportunities and widen the scope of their business activities to enhance shareholder value.

## Review of Operations *(Continued)*

Mount Beacon

