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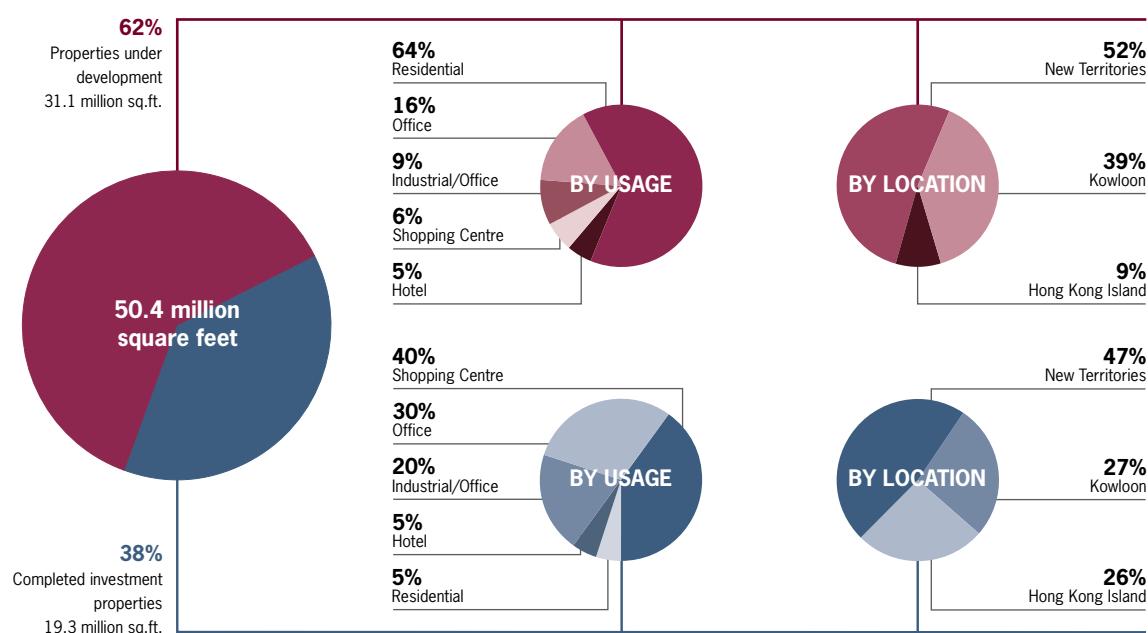
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**The Group and  
the Community**

## REVIEW OF OPERATIONS – LAND BANK

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

– 50.4 million square feet in attributable gross floor area



The Group's land bank in Hong Kong amounts to 50.4 million square feet in attributable terms. One new site in Tin Ping Shan, Sheung Shui was added to the land bank through land use conversion during the year. The 173,000 square-foot site will be developed into 537,000 square feet of residential premises. The Group reached an agreement with the government to pay land premiums of HK\$2.1 billion for seven sites in November last year.

The current land bank is sufficient for development needs over the next five years, and the Group will continue to replenish it when appropriate. The Group has 31.1 million square feet of properties under development. About 23.3 million square feet of these will be sold, while the remaining 7.8 million square feet will be added to the Group's completed investment property portfolio, which now stands at 19.3 million square feet.

## REVIEW OF OPERATIONS – LAND BANK

In addition, the Group has over 21 million square feet of agricultural land, in terms of site area, located in various parts of the New Territories. Most of these sites are in the process of land use conversion, principally for residential development.

The Group's land bank is well diversified in terms of usage and location. About 15 per cent of the Group's total land bank is on Hong Kong Island and 35 per cent in Kowloon, while the remaining 50 per cent is spread throughout various new towns in the New Territories.

About 64 per cent of the properties under development are residential; mainly large-scale estates with predominantly small-to-medium-sized units for sale.

The Group aims to build ideal homes for its customers and is always adopting new measures to raise product quality, customer service and property management standards further. This strong commitment to quality and excellence has created a strong brand name over the years that adds to the Group's competitiveness.

The Group's land bank on the Mainland is described under Mainland Business on page 60. Its land bank in Hong Kong, in attributable gross floor area by status and usage, is as follows:

### Status and Usage

Attributable Gross Floor Area (million square feet)						
	Residential	Shopping Centre	Office	Hotel	Industrial/Office*	Total
Development for sale	20.0	–	0.6	–	2.7	23.3
Development for investment	–	1.7	4.5	1.6	–	7.8
Completed investment properties	1.0	7.7	5.9	0.9	3.8	19.3
<b>Total</b>	<b>21.0</b>	<b>9.4</b>	<b>11.0</b>	<b>2.5</b>	<b>6.5</b>	<b>50.4</b>

\* Industrial/office properties include godowns.

The Group's land bank in Hong Kong, in attributable gross floor area by status and location, is as follows:

### Status and Location

Attributable Gross Floor Area (million square feet)				
	Hong Kong Island	Kowloon	New Territories	Total
Development for sale	1.2	6.6	15.5	23.3
Development for investment	1.6	5.6	0.6	7.8
Completed investment properties	5.0	5.2	9.1	19.3
<b>Total</b>	<b>7.8</b>	<b>17.4</b>	<b>25.2</b>	<b>50.4</b>