





# PROPERTY DEVELOPMENT

The Group offers products and customer service of the highest quality and a comprehensive lifestyle to satisfy residents. It is dedicated to building properties with better designs, more efficient layouts and premium quality in construction and finishes.

*The Leighton Hill, Happy Valley*

## REVIEW OF OPERATIONS – PROPERTY DEVELOPMENT



*With classic columns and marble finishes, The Leighton Hill represents a new generation of luxury living in Hong Kong.*



*Liberté in Cheung Sha Wan is popular because of its top-quality design and first-class materials. It also offers residents twin clubhouses.*

### PROPERTY SALES

Properties sold and presold by the Group in the year ended 30th June 2002 amounted to HK\$15,151 million in attributable terms. The figure for last year was HK\$19,641 million, which included proceeds from the sale of The Leighton Hill in Happy Valley. Major residential projects sold during the year under review included Villa by the Park in Yuen Long, Park Central in Tseung Kwan O and Liberté in Cheung Sha Wan.

### PROJECT COMPLETION SCHEDULE

During the year ended 30th June 2002, the Group completed a total of 11 projects with an aggregate attributable gross floor area of 4.6 million square feet, comprising mainly residential properties. About 90 per cent of the residential properties for sale completed during the year have been sold. Millennium Trade Centre in Kwai Chung is being kept for long-term rental.

The Group expects to complete another ten projects in the financial year 2002/03, with an aggregate attributable gross floor area of 6.2 million square feet. The increase in completed gross floor area is due to higher completion level of office and retail space.

### Projects to be Completed in FY2002/03

Location	Project Name
Ma Wan Development	Park Island Phase 1
Tseung Kwan O Town Lots 57 & 66	Park Central
88 O King Road, Tseung Kwan O	Ocean Shores Phase 3A
Tuen Mun Town Lot 374	Aegean Coast
Shui Pin Wai, Yuen Long	Villa by the Park
1 Ho Man Tin Hill Road, Kowloon	1 Ho Man Tin Hill
1 & 3 Po Shan Road, Mid-Levels	1 Po Shan Road
71 Mount Kellett Road, The Peak	71 Mount Kellett Road
Airport Railway Hong Kong Station Development	Two International Finance Centre
370 Kwun Tong Road	Millennium City Phase 3
<b>Year Total</b>	

## REVIEW OF OPERATIONS – PROPERTY DEVELOPMENT

Projects completed in financial year 2001/02 are summarized by usage and by status as follows, details of which are listed in the Chairman's Statement on page 11.

### Projects Completed in FY2001/02

	Attributable Gross Floor Area (million square feet)			
	Residential	Shopping Centre	Office	Total
For sale	4.5	*	*	4.5
For investment	–	*	0.1	0.1
<b>Total</b>	<b>4.5</b>	<b>*</b>	<b>0.1</b>	<b>4.6</b>

\* Less than 0.1 million square feet

Projects to be completed in financial year 2002/03 and details are listed below:

### Projects to be Completed in FY2002/03

	Attributable Gross Floor Area (million square feet)			
	Residential	Shopping Centre	Office	Total
For sale	4.7	–	0.1	4.8
For investment	–	0.5	0.9	1.4
<b>Total</b>	<b>4.7</b>	<b>0.5</b>	<b>1.0</b>	<b>6.2</b>

Group's Interest (%)	Attributable Gross Floor Area (square feet)			
	Residential	Shopping Centre	Office	Total
Joint venture	1,765,000	86,100	–	1,851,100
57.52/25	1,397,500	195,500	–	1,593,000
49	497,000	10,500	–	507,500
25	306,500	5,500	–	312,000
100	439,500	–	–	439,500
Joint venture	158,000	–	–	158,000
60	72,000	–	–	72,000
100	14,000	–	–	14,000
47.5	–	242,000	927,000	1,169,000
70	–	–	108,000	108,000
	<b>4,649,500</b>	<b>539,600</b>	<b>1,035,000</b>	<b>6,224,100</b>



## REVIEW OF OPERATIONS – PROPERTY DEVELOPMENT

Details of projects to be completed in financial year 2003/04 and beyond are listed below:

### Projects to be Completed in FY2003/04

Location	Project Name	Group's Interest (%)	Residential
Yuen Long Town Lot 503	–	100	1,180,000
Ma Wan Development	Park Island Phase 2	Joint venture	998,000
Tuen Mun Town Lot 399	–	100	375,000
Yunnan Lane, Yau Ma Tei	–	Joint venture	344,000
Tin Shui Wai Town Lot 27	–	40	321,000
8, 12 & 16 Severn Road, The Peak	–	100	59,000
88 O King Road, Tseung Kwan O	Ocean Shores Phase 3B	49	289,000
New Kowloon Inland Lot 6328, Cheung Sha Wan	Liberté	35.44	541,000
Ap Lei Chau Inland Lot 128	Sham Wan Towers	100	454,000
18 Farm Road, Kowloon	–	100	223,000
Airport Railway Hong Kong Station Development	Two International Finance Centre	47.5	–
<b>Year Total</b>			<b>4,784,000</b>

### Major Projects to be Completed in FY2004/05 and beyond

Location	Group's Interest (%)	Residential
Ma Wan Development – Park Island Phase 3	Joint venture	901,000
Tsuen Wan Town Lot 373 (formerly Tsuen Wan Town Lots 77 & 89)	100	1,113,000
Airport Railway Olympic Station Development Package 3	Joint venture	1,110,000
Airport Railway Kowloon Station Development Package 3	Joint venture	1,076,000
To Fung Shan Phases 2, 3 & 4, Shatin	100	744,000
Kwu Tung Phases 2 & 3, Sheung Shui	100	603,500
Tin Ping Shan, Sheung Shui	100	537,000
Ngau Tam Mei, Yuen Long	100	383,000
New Kowloon Inland Lot 6275, Cheung Sha Wan	50	648,000
Yuen Long Town Lot 504	100	1,454,000
New Kowloon Marine Lot 3, Lai Chi Kok	33.3	350,000
Airport Railway Kowloon Station Development Packages 5, 6, & 7	Joint venture	1,009,000
418 Kwun Tong Road – Millennium City Phase 5	100	–
392 Kwun Tong Road	100	–
<b>Total</b>		<b>9,928,500</b>

## REVIEW OF OPERATIONS – PROPERTY DEVELOPMENT

*Attributable Gross Floor Area (square feet)*

Shopping Centre	Hotel	Total
–	–	1,180,000
–	–	998,000
–	–	375,000
–	–	344,000
–	–	321,000
–	–	59,000
–	–	289,000
21,000	–	562,000
16,000	–	470,000
45,000	–	268,000
–	523,000	523,000
<b>82,000</b>	<b>523,000</b>	<b>5,389,000</b>



Residents of Ocean Shores, Tseung Kwan O, have easy access to various parts of the territory with the opening of the MTR extension in August 2002.

*Attributable Gross Floor Area (square feet)*

Shopping Centre	Office	Hotel	Total
–	–	–	901,000
–	–	–	1,113,000
–	–	–	1,110,000
–	–	–	1,076,000
–	–	–	744,000
–	–	–	603,500
–	–	–	537,000
–	–	–	383,000
77,000	–	–	725,000
249,000	–	–	1,703,000
18,000	–	–	368,000
171,000	2,495,000	1,023,000	4,698,000
575,000	707,000	–	1,282,000
–	360,000	–	360,000
<b>1,090,000</b>	<b>3,562,000</b>	<b>1,023,000</b>	<b>15,603,500</b>



Villa by the Park in Yuen Long attracted strong interest when put on the market last year.

## Major Projects Under Development

■ Residential ■ Shopping Centre ■ Office ■ Industrial/Office ■ Hotel

1	Park Central	■	■			
2	Ocean Shores Phase 3	■	■			
3	To Fung Shan Phases 2, 3 & 4	■				
4	Tin Ping Shan	■				
5	Kwu Tung	■				
6	Shek Wu Wai	■				
7	Ngau Tam Mei	■				
8	Tin Shui Wai Town Lot 27	■				
9	Yuen Long Town Lot 503	■				
10	Yuen Long Town Lot 504	■	■			
11	Villa by the Park	■				
12	Tuen Mun Town Lot 399	■				
13	Aegean Coast	■	■			
14	Park Island	■	■			
15	Tsuen Wan Town Lot 373	■				
16	New Kowloon Marine Lot 3	■	■			
17	Liberté	■	■			
18	New Kowloon Inland Lot 6275	■	■			
19	Airport Railway Olympic Station Development Package 3	■				
20	1 Ho Man Tin Hill	■				
21	18 Farm Road	■	■			
22	Yunnan Lane	■				
23	Airport Railway Kowloon Station Development Package 3	■				
24	Airport Railway Kowloon Station Development Packages 5, 6 & 7	■	■	■		■
25	Sham Wan Towers	■	■			
26	Ap Lei Chau Inland Lot 129	■				
27	Two International Finance Centre		■	■		■
28	Millennium City Phase 5		■	■		
29	392 Kwun Tong Road			■		
30	20-22 Siu Lek Yuen Road				■	
31	12-23 Wang Wo Tsai Street				■	
32	51-53 Kwai Cheong Road				■	

## Existing

Railways —  
Major Highways —  
Railway Interchange —  
Cross Harbour Tunnel —

## Under Construction

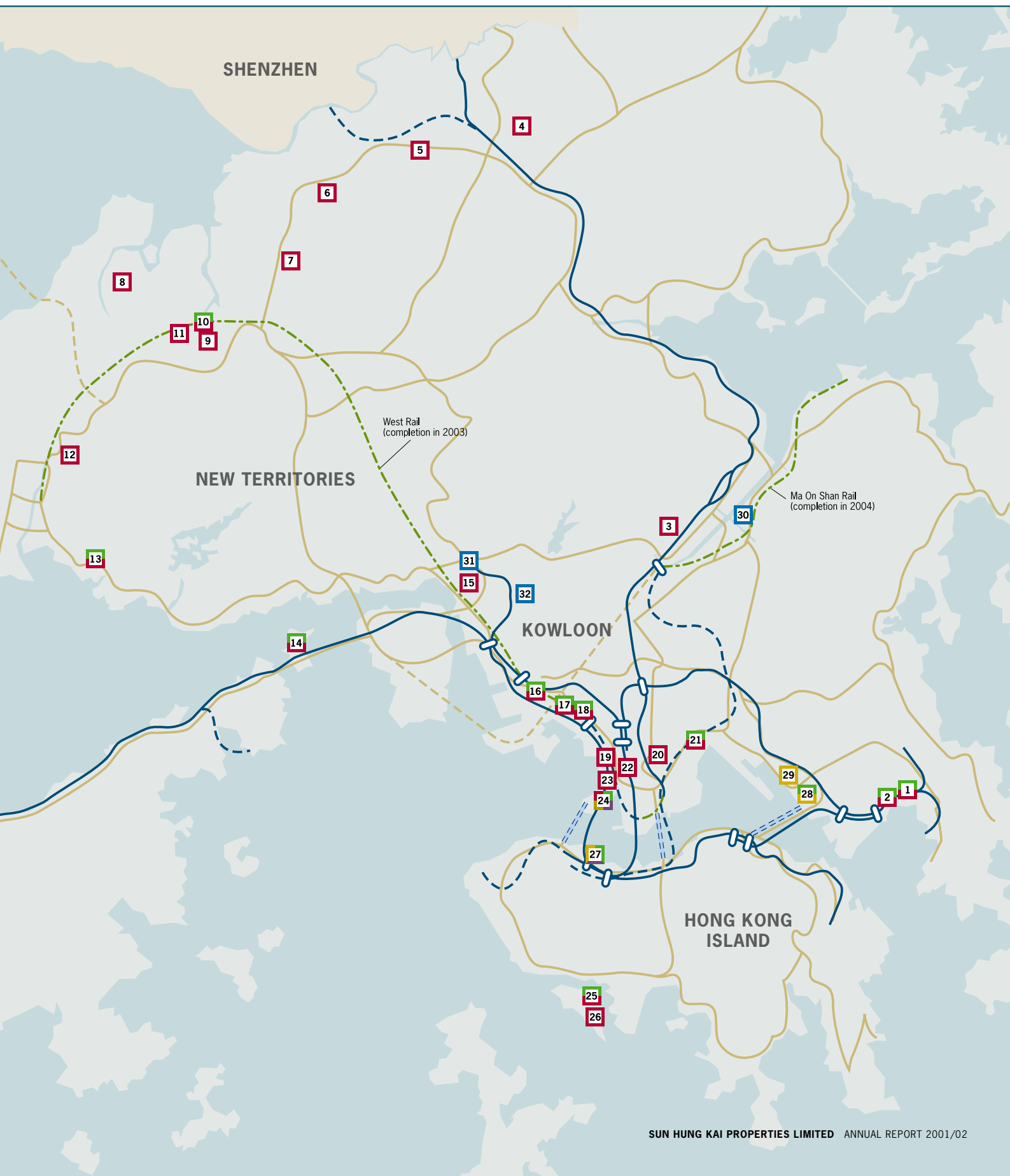
Railways - - -  
Major Highways - - -

## Planned (completion by 2008)

Railways - - -  
Major Highways - - -

LANTAU ISLAND

## REVIEW OF OPERATIONS – PROPERTY DEVELOPMENT







*The Group's properties are built to meet the highest standards, offering residents a comprehensive lifestyle.*

## PROGRESS OF MAJOR DEVELOPMENTS

### Ocean Shores

*88 O King Road, Tseung Kwan O (49% owned)*

Ocean Shores is one of the largest private residential developments in the district. The whole project covers 540,000 square feet and has over 5,000 units with a total gross floor area of four million square feet. Phase 3, the last phase of the development, was launched for sale in May this year. Response was satisfactory for the 2,272 units offered. Phases 1 and 2 are already complete and substantially sold.

### Park Island

*Ma Wan Development (Joint venture)*

Park Island has a total gross floor area of over 3.7 million square feet offering over 5,000 units in a wide range of sizes and types on a 1.4 million square-foot site. The residential development is designed as a modern, pollution-free living environment. The first 2,569 units were completed in August 2002 and offered for sale in the same month. Park Island Phase 1 sold extremely well, with virtually all units taken up in about two weeks. The remaining phases will be finished over three years.

### Park Central

*Tseung Kwan O Town Lots 57 (57.52% owned) & 66 (25% owned)*

Park Central has a site area of 360,000 square feet being developed into 2.9 million square feet of small to medium sized units and a 360,000 square-foot shopping mall. The property is at the centre of Tseung Kwan O, surrounded by well-planned community and recreational facilities. With the new MTR extension, transportation is also very convenient. The first phase of 1,872 units is already 80 per cent sold, and construction finished in the third quarter of 2002. Pre-sale of the second phase, which is scheduled for completion in the first half of 2003, is progressing satisfactorily.

### Two International Finance Centre

*Airport Railway Hong Kong Station Development (47.5% owned)*

International Finance Centre is the largest commercial development in Central of the last decade, occupying a site area of 430,000 square feet. Two International Finance Centre consists of an 88-storey office tower, shopping mall and two hotel blocks. The office tower will contain almost two million square feet of top-quality office space to be completed in mid-2003. Complementing its strategic location, it will feature interactive facilities and an intelligent design to meet the needs of modern business. The shopping mall will have over half a million square feet of gross floor area. The 1.1 million square-foot hotel complex to be managed by Four Seasons Hotels and Resorts will be ready towards the end of 2004.

### Yuen Long Town Lot 503

*(100% owned)*

The Group will build more than 2,000 small-to-medium residential units on this 236,000 square-foot site, with a total gross floor area of 1.2 million square feet. The development forms part of the Group's plan to build a new cluster of residential and commercial complexes around the Yuen Long West Rail station. This large-scale project, together with the West Rail that is scheduled to commence operations in late 2003, will help transform Yuen Long into a vibrant community in the New Territories. Construction of the residential project is now under way, set for completion in the first half of 2004.



*Two IFC, a new landmark on the Central waterfront, will have a world-renowned six-star Four Seasons hotel.*



*Millennium City Phase 5 will contain a regional shopping centre of about 600,000 square feet.*



*Package 3 of the Airport Railway Olympic Station Development, offering over 1,800 small to medium units, combines comprehensive facilities with top-quality design.*

### **Millennium City Phase 5**

*418 Kwun Tong Road (100% owned)*

Phase 5, with a site area of 107,000 square feet, will contain over 700,000 square feet of office space on top of a regional shopping centre of about 600,000 square feet. It is the single largest component of Millennium City, a new commercial hub in Kowloon East. In June this year the Group reached an agreement to sell 407,000 square feet of office space in Phase 5 to a major local bank. This prestigious occupant will help increase the whole development's attractiveness and rental value. The remaining area will be held as a long-term investment. Construction is scheduled for completion in late 2004.

### **Airport Railway Kowloon Station Development Package 3**

*(Joint venture)*

This project is above Kowloon Station on the Airport Railway, which is soon to be a major cultural and transportation hub. It has a site area of 172,000 square feet being developed into over one million square feet of luxury residences, with about 1,000 units in a wide range of sizes. Completion is scheduled for late 2004.

### **Airport Railway Olympic Station Development Package 3**

*(Joint venture)*

In November last year, the Group and the government agreed on the land premium to change the use of this site, next to Olympic Station on the Airport Railway, from hotel to residential. Over 1.1 million square feet of residential properties, amounting to over 1,800 small to medium units, will be developed on this 185,000 square-foot site. Completion is expected in 2005.



### **Tsuen Wan Town Lot 373**

*(100% owned)*

The Group plans to develop over 1,700 serviced apartments with a total gross floor area of 1.1 million square feet on this 112,000 square-foot site. The land premium for this development has been agreed and paid. Foundation work has commenced and construction is expected to finish in 2005.

### **Yuen Long Town Lot 504**

*(100% owned)*

This development has a total gross floor area of 1.7 million square feet on a 318,000 square-foot site. The Group plans to build almost 1.5 million square feet of residential premises in about 2,500 small to medium units on top of a retail podium.

### **Airport Railway Kowloon Station Development Packages 5, 6 and 7**

*(Joint venture)*

With a site area of approximately 790,000 square feet, this development consists of 2.5 million square feet of top-quality offices, one million square feet of residential and serviced apartments, another million square feet of hotel space and 0.9 million square feet of shopping area. Of the total 5.4 million square feet, 4.7 million is attributable to the Group. Situated above Kowloon Station on the Airport Railway and at the heart of a key future commercial and cultural district of Hong Kong, the project will feature the most modern design and intelligent facilities. It will be completed in phases over the next five years.



*Yuen Long Town Lot 503 (pictured) and Yuen Long Town Lot 504 form a significant part of the Group's plan to build a new cluster of residential and commercial complexes around the Yuen Long West Rail station.*



*Airport Railway Kowloon Station Development Packages 5, 6 & 7 will be an integrated commercial and residential complex at the heart of a key future commercial and cultural district.*