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The property division contributed earnings for the year with the completion and sales of Phase II units at The Belcher's and pre-sale of both phases of the Liberté.

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Strong sales at the property division's major residential developments, Liberté and The Belcher's, along with increased demand for quality property management services, contributed significantly to earnings for the year.

Pre-sale of both Phase I and Phase II residential units was launched in April and May 2002, respectively, and was well-received by the market.

The Liberté is easily accessible by public transportation and within walking distance of a Mass Transit Railway (MTR) station.

Liberté

The Liberté in West Kowloon, developed jointly with Sun Hung Kai Properties Limited, features seven residential towers, comprising 2,434 quality units, with a clubhouse and a landscaped garden of over 170,000 square feet. It will also include a commercial complex. The total development area will be approximately 1.8 million square feet.

The Liberté is being developed in two phases. Superstructure work for Phase I, comprising five residential towers with 1,834 units, is scheduled for completion in the third quarter of 2003. Phase II, comprising the remaining two residential towers with 600 units and a commercial podium, is scheduled for completion by the end of 2003. Unit sizes are from approximately 500 to 1,470 square feet.

The Belcher's

The Belcher's luxurious development in the Western Mid-Levels comprises six residential towers on a 220,000-square-foot commercial podium, The Westwood, and a 190,000-square-foot residents' clubhouse and landscaped garden. The shopping complex, clubhouse and gardens are the largest in the Mid-Levels.

The development is divided into two phases. Phase I, completed in 2001, contains three residential towers comprising 1,093 units and The Westwood. The remaining three residential towers in Phase II, comprising 1,120 units, was completed in April 2002 and sold units were smoothly handed over to



homebuyers as scheduled. The units range in size from approximately 850 to 3,340 square feet.

The Belcher's convenient location is easily accessible by public transportation. It is planned that a new MTR station, named Belcher, will provide direct access to the project's commercial podium.

Other Properties

In Macau, Phase I of Nova Taipa Gardens on Taipa Island, comprising 13 residential blocks, was launched in stages and approximately 86% of the units were sold by the end of 2002. Foundation work for Phase II, which comprises 13 residential blocks, was completed. The remaining phases of the residential development project, one of the largest in Macau, are in planning.

The Shun Tak Business Centre in Guangzhou comprises a 32-storey office tower and a six-storey shopping arcade. Since its completion in April 2000, sales and leasing of the development has progressed satisfactorily.

The City Center of Shanghai, comprising two 25-storey office towers and a six-storey retail and entertainment podium, was completed in late 2002. In order to strategically re-deploy the Group's resources in its core shipping and hospitality businesses, with an emphasis on Macau, the Group entered into a conditional agreement in February 2003 to dispose of its entire 15% beneficial interest in the development project for HK\$342 million, at an estimated profit of approximately HK\$29.7 million.

Property Services

The portfolio of the Group's property management division continues to expand to meet demand for its comprehensive range of professional services to residential, commercial and industrial properties.

New properties under the division's management in 2002 include Phase II of The Belcher's in Hong Kong and Shun Tak House in Macau. In Hong Kong and Macau, the division currently manages 5.3 million and 3.4 million square feet,



respectively, of commercial, retail and residential properties. Properties under management range in size and type from single-owned residential units to retail shopping arcades.

In addition, the division has been appointed as property manager of the Liberté in West Kowloon, starting from late 2003. The division's property management portfolio will extend to over 10 million square feet then.

The division's Living Matters Company Limited, inaugurated in 2001, provides lifestyle concept services, including personal and value-added home services that increase convenience for residents and enhance their living environment. As an extension of the commitment to quality living, the Group opened a concept store named Living Matters in Shun Tak Centre in October 2002, offering a contemporary collection of ready-made and customized furniture, home accessories, dining ware and decorative pieces.

Reflecting the quality and professionalism of the Group's property management services, the division was accredited with an ISO 9001:2000 designation by the internationally recognized Hong Kong Quality Assurance Agency in October. In addition, Shun Tak Property Management Limited was also awarded the Caring Company Award by the Hong Kong Council of Social Service for its demonstration of good corporate citizenship and contribution to the community.

