



# Property Investment

The Group is bolstering its premium office portfolio with projects incorporating the latest technology and contemporary designs that modern companies and multinationals demand. It is also constantly working to make its shopping centres more attractive by adjusting tenant mixes to appeal to shoppers' changing tastes.

Airport Railway Kowloon Station  
Development Packages 5, 6 & 7





# Property Investment

## Year's Highlights

- 22 million square feet of completed investment property held as long-term investment
- Portfolio occupancy of 96 per cent
- HK\$5,649 million in gross rental income, including contributions from joint ventures
- HK\$4,063 million in net rental income

The Group's gross rental income, including contributions from joint venture properties, increased by 3.4 per cent during the year to HK\$5,649 million. Net rental income increased from last year's HK\$3,998 million to HK\$4,063 million. Occupancy stayed high at 96 per cent, and contributions from new projects, positive lease renewals and higher rent for new tenants led to this respectable performance.

Higher tourist spending and greater local consumption continued to bolster the retail sector in 2004. Expansion by existing tenants and other operators coming to Hong

Kong for the first time generated more demand for retail space during the year, resulting in rent increases. The Group continued its efforts to lift the appeal of its shopping centres by constantly adjusting the mix of retailers to satisfy changing customer tastes and renovating malls and facilities to create more attractive shopping environments.

A tilt between supply and demand led to a rebound in office rents over the past year, particularly in Central, fuelled by greater demand from various sectors.

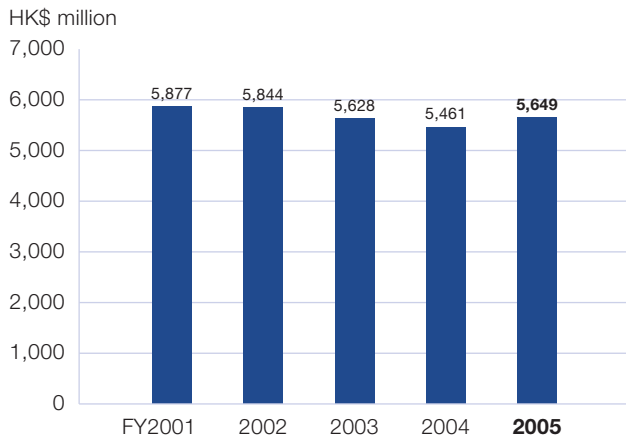


The popular Dynasty Court in Mid-Levels is a jewel in the Group's luxury residential leasing portfolio.

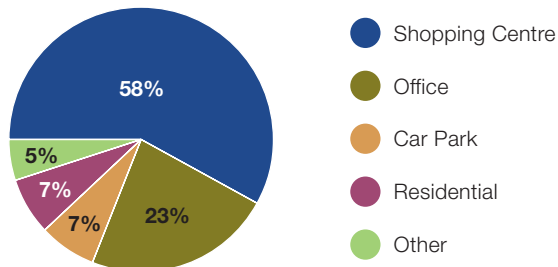




### Gross Rental Income\*



### Gross Rental Income by Sector\*



\* Including contributions from jointly-controlled entities and associates

The Group enhances rental values by upgrading and renovating its investment properties regularly. The HK\$300-million renovation project underway in New Town Plaza will be completed in 2006. Other shopping centres to be refurbished include Tai Po Mega Mall and Grand Century Place in Mong Kok. A commitment to customer care also helps build loyalty and keep occupancy rates high. The Group maintains two-way communications with its tenants through surveys and day-to-day interaction, ensuring that their needs are understood and taken care of.



APM has attracted hundreds of thousands of shoppers since it was opened, adding a new dimension to the Group's mall portfolio.

# Property Investment

## Completed Investment Properties

### Shopping Centres

The Group's network of Hong Kong shopping centres grew to 9.2 million square feet with the opening of the 600,000-square-foot APM mall in Kowloon East in March this year. APM's brand new late-night operational concept and trade mix soon made it one of the most popular shopping and entertainment destinations in Kowloon East, and the mall is fully let. IFC Mall, which is now almost fully let, remained a major attraction in Central, with more restaurants and high-end retailers opening during the year. The Group's other major malls also performed well, with World Trade Centre in Causeway Bay, Grand Century Place in Mong Kok, Tai Po Mega Mall, Metroplaza in Kwai Chung and East Point City in Tseung Kwan O close to full occupancy.

The Seiyu department store in New Town Plaza was acquired by the Group during the year, in order to maintain a well-balanced tenant mix in the mall and benefit from the thriving retail market. The Group intends to hold the outlet as a long-term investment.

### Offices

The Group currently holds 6.8-million square feet of offices for rent. The new office space in Millennium City Phase 5 was completed in August 2004 and is already fully leased, so the Group's Kowloon East office portfolio is now almost fully occupied, while the offices at IFC in Central are over 95 per cent let. The Group's other premium offices in key locations like Sun Hung Kai Centre and Central Plaza in Wan Chai, Grand Century Place in Mong Kok and Metroplaza in Kwai Chung continued to record occupancies of 95 per cent or more.

### Residential

The Group has a million square feet of residential properties for lease, including luxury developments like Dynasty Court and Hillsborough Court in Mid-Levels. Signature Homes oversees leasing of the Group's luxury accommodation, and it is dedicated to providing personalized one-stop service, offering tenants six-star living.

### Other Properties

The Group owns almost 30,000 car parking bays, which generate steady rental income. It also owns a number of industrial buildings, godowns and data centres. Conversion of some of the industrial premises into other uses like offices and hotels is being considered.



Vice Chairman & Managing Director Thomas Kwok (left) and Bank of East Asia Chairman & Chief Executive David Li at the opening of BEA Tower at Millennium City Phase 5 in Kowloon East.

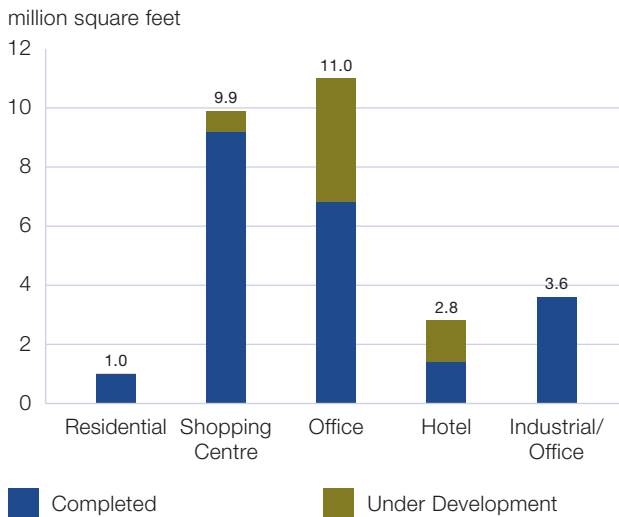


Regular facelifts keep the Group's shopping centres fresh and competitive. The renovation of New Town Plaza Phase 1 will be completed in mid 2006.





### Investment Properties: Completed and Under Development



### Investment Properties Under Development

Constant upgrading serves to optimize the Group's investment property portfolio. It has been steadily increasing the proportion of high-grade investment properties in prime locations over the years, replacing selected non-core properties with new landmark projects. Since the completion of IFC in Central and

Millennium City Phase 5 in Kowloon East, the Group is now following up with Kowloon Station Development Packages 5, 6 & 7 and Millennium City Phase 6. Kowloon Station will be next to a commercial, cultural and transportation hub for the territory, while Millennium City is creating a new commercial centre in Kowloon East.

The Group has an attributable 6.3 million square feet of new investment properties under development. The majority of this, amounting to 4.2 million square feet, will be premium office space equipped with the latest technology and modern facilities. Retail space will account for another 700,000 million square feet, while the remaining 1.4 million square feet will house high-end hotels and serviced suites.

### Major Investment Properties Under Development

#### Shopping centres

- YOHO Town Phase 2
- New Kowloon Inland Lot 6308 in San Po Kong

#### Offices

- Millennium City Phase 6
- Airport Kowloon Station Development Packages 5, 6 & 7
- Kwai Chung Town Lot 215



World Trade Centre in Causeway Bay will undergo renovations to make it more attractive.



Kowloon Station Development Packages 5, 6 & 7 will offer grade-A office space with the latest technology and modern facilities.

# Property Investment

## Major Completed Investment Properties

Name	Location	Lease Expiry	Group's Interest (%)	Residential
<b>Hong Kong Island</b>				
One IFC	1 Harbour View Street, Central	2047	47.5	-
Two IFC & IFC Mall	8 Finance Street, Central	2047	47.5	-
Four Seasons Hotel and Four Seasons Place	8 Finance Street, Central	2047	47.5	-
Sun Hung Kai Centre	30 Harbour Road, Wan Chai	2127	100	-
Central Plaza	18 Harbour Road, Wan Chai	2047	50	-
World Trade Centre	280 Gloucester Road, Causeway Bay	2842	100	-
Harbour Centre	25 Harbour Road, Wanchai	2128	33.3	-
Dynasty Court (Blocks 2 & 3)	23 Old Peak Road	2886	100	341,000
Pacific View (Blocks 2 & 3)	38 Tai Tam Road	2047	100	276,000
Hillsborough Court (Block 4)	18 Old Peak Road	2884	100	159,500
<b>Kowloon</b>				
Millennium City Phase 1*	388 Kwun Tong Road	2047	100	-
Millennium City Phase 2	378 Kwun Tong Road	2047	50	-
Millennium City Phase 3	370 Kwun Tong Road	2047	70	-
Millennium City Phase 5	418 Kwun Tong Road	2047	100	-
Grand Century Place	193 Prince Edward Road West, Mong Kok	2047	100	-
Royal Plaza Hotel	193 Prince Edward Road West, Mong Kok	2047	100	-
The Sun Arcade	28 Canton Road, Tsim Sha Tsui	2047	100	-
The Royal Garden	69 Mody Road, Tsim Sha Tsui	2127	100	-
Kerry Hung Kai Godown	3 Fat Tseung Street, Cheung Sha Wan	2047	50	-
APEC Plaza	49 Hoi Yuen Road, Kwun Tong	2047	100	-
Peninsula Tower	538 Castle Peak Road, Cheung Sha Wan	2047	100	-
New Tech Plaza	34 Tai Yau Street, San Po Kong	2047	100	-
Hing Wah Centre	82-84 To Kwa Wan Road	2099	100	-
<b>New Territories</b>				
New Town Plaza I	18 Shatin Centre Street, Sha Tin	2047	100	-
New Town Plaza III	2-8 Shatin Centre Street, Sha Tin	2047	100	-
New Town Tower	10-18 Pak Hok Ting Street, Sha Tin	2047	100	-
Grand Central Plaza	138 Shatin Rural Committee Road, Sha Tin	2047	100	-
Royal Park Hotel	8 Pak Hok Ting Street, Sha Tin	2047	100	-
Metroplaza Tower I & Shopping Centre	223 Hing Fong Road, Kwai Chung	2047	100	-
Landmark North	39 Lung Sum Avenue, Sheung Shui	2047	100	-
Tai Po Mega Mall	9 On Pong Road, Tai Po	2047	100	-
Tsuen Wan Plaza	5-21 Pak Tin Par Street, Tsuen Wan	2047	100	-
East Point City Shopping Centre	8 Chung Wa Road, Tseung Kwan O	2047	100	-
Sun Yuen Long Centre Shopping Arcade	8 Long Yat Road, Yuen Long	2047	87.5	-
Park Central Shopping Centre	Tseung Kwan O Town Lots 57 & 66	2047	57.52/25	-
Yuen Long Plaza Shopping Arcade	249-251 Castle Peak Road, Yuen Long	2047	100	-
Uptown Plaza Shopping Arcade	9 Nam Wan Road, Tai Po	2047	100	-
Grand City Plaza	1-17 Sai Lau Kok Road, Tsuen Wan	2047	100	-
Citygate	Tung Chung Town Lot 2	2047	20	-
Sunhing Hungkai Godown	8 Wong Chuk Yeung Street, Sha Tin	2047	100	-
Advanced Technology Centre	2 Choi Fat Street, Sheung Shui	2047	100	-

\* Including the attributable share in areas held by SUNeVision, in which the Group has an 84.8 per cent interest.



Attributable Gross Floor Area (square feet)				
Shopping Centre	Office	Hotel	Industrial/Office	Total
-	373,000	-	-	373,000
304,000	537,000	-	-	841,000
-	-	523,000	-	523,000
53,400	850,600	-	-	904,000
-	700,000	-	-	700,000
162,000	350,000	-	-	512,000
20,500	80,000	-	-	100,500
-	-	-	-	341,000
-	-	-	-	276,000
-	-	-	-	159,500
27,000	890,000	-	-	917,000
-	133,000	-	-	133,000
-	108,000	-	-	108,000
598,000	308,000	-	-	906,000
725,000	475,000	-	-	1,200,000
-	-	400,000	-	400,000
204,800	-	-	-	204,800
-	-	295,000	-	295,000
-	-	-	285,000	285,000
-	-	-	240,000	240,000
-	-	-	202,000	202,000
-	-	-	184,000	184,000
-	-	-	182,700	182,700
1,300,000	-	-	-	1,300,000
350,000	-	-	-	350,000
-	96,000	-	-	96,000
236,000	505,000	-	-	741,000
-	-	258,000	-	258,000
600,000	569,000	-	-	1,169,000
181,500	375,500	-	-	557,000
588,800	-	-	-	588,800
583,000	-	-	-	583,000
415,000	-	-	-	415,000
245,000	-	-	-	245,000
195,000	-	-	-	195,000
145,000	-	-	-	145,000
120,000	-	-	-	120,000
35,100	137,200	-	-	172,300
99,000	32,000	-	-	131,000
-	-	-	500,000	500,000
-	-	-	142,000	142,000



IFC Mall is a major shopping focus in Hong Kong, replete with international brand name retailers.
































































Millennium City Phase 5 has state-of-the-art office facilities and a prime location in Kowloon East, and is fully let.











# Property Investment

## Major Completed Investment Properties

 Residential
  Shopping Centre
  Office
  Industrial/Office
  Hotel

01	Dynasty Court		
02	Hillsborough Court		
03	63 Deep Water Bay Road		
04	51 & 55 Deep Water Bay Road		
05	Pacific View		
06	Uptown Plaza		
07	Tai Po Mega Mall		
08	Sun Yuen Long Centre		
09	Yuen Long Plaza		
10	Chelsea Heights		
11	Tsuen Wan Plaza		
12	New Kowloon Plaza		
13	The Sun Arcade		
14	East Point City		
15	Park Central		
16	Chi Fu Landmark		
17	New Jade Shopping Arcade		
18	New Town Plaza / New Town Tower	 	
19	Grand Central Plaza	 	
20	Landmark North	 	
21	Grand City Plaza	 	
22	Metroplaza	 	
23	Grand Century Place	 	
24	Hollywood Plaza	 	
25	World Trade Centre	 	
26	Sun Hung Kai Centre	 	
27	Harbour Centre	 	
28	IFC	 	
29	Citygate	 	
30	Millennium City Phases 1, 2, 3 & 5	 	
31	Central Plaza		
32	APEC Plaza		
33	Infotech Centre		
34	Hing Wah Centre		
35	New Tech Plaza		
36	Advanced Technology Centre		
37	Peninsula Tower		
38	Kerry Hung Kai Godown		
39	Sunhing Hungkai Godown		
40	The Royal Garden		
41	Four Seasons Hotel & Four Seasons Place		
42	Royal Plaza Hotel		
43	Royal Park Hotel		

 KCR  
 KCR (under construction/planning)  
 Major Highway  
 Major Highway (under construction)

 MTR  
 MTR (under planning)  
 Cross Harbour Tunnel  
 Railway Interchange



