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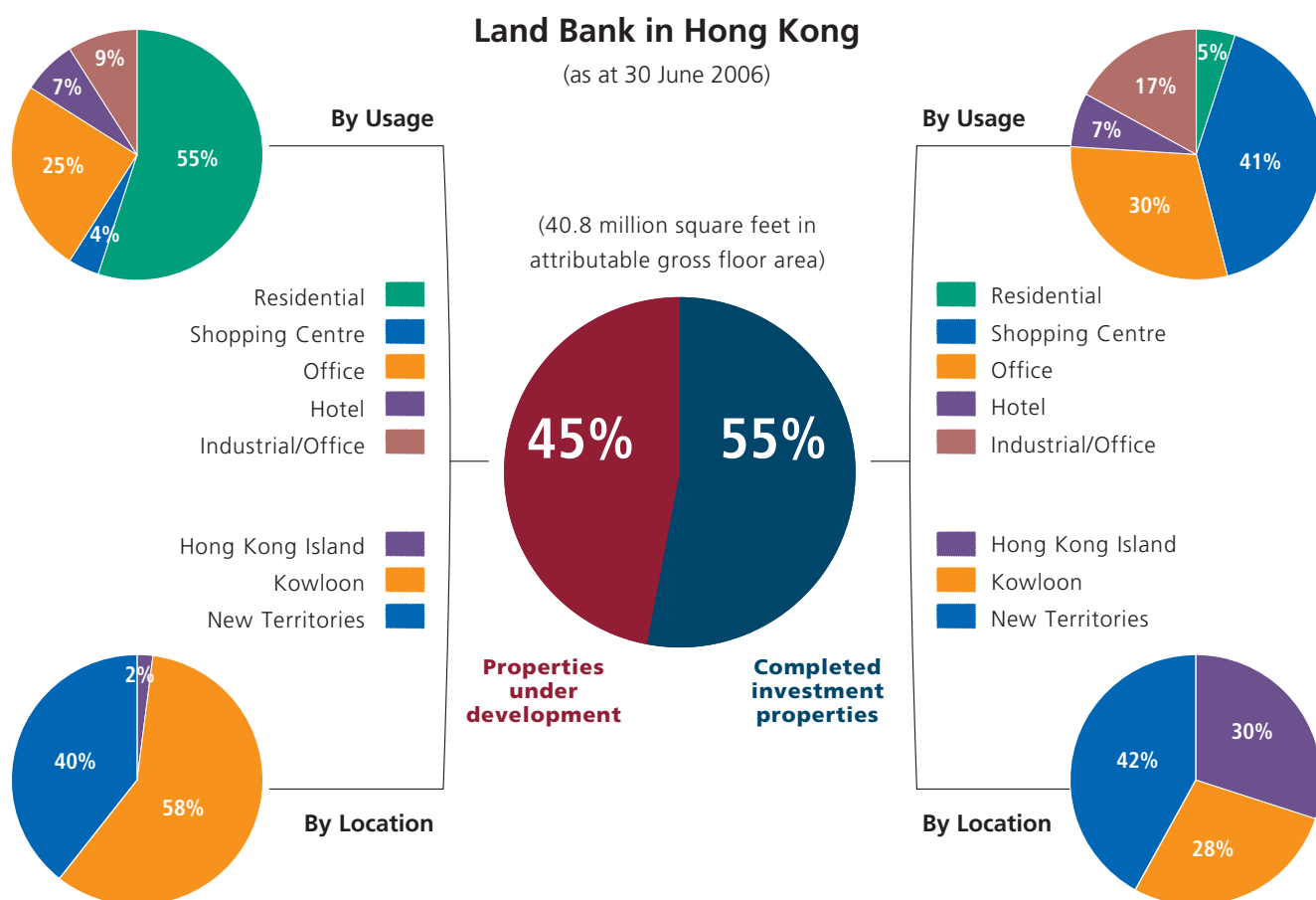
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Highlights

- Acquired or completed land use conversion of five sites in Hong Kong, with aggregate gross floor area of 1.2 million square feet
- Won West Rail Tuen Mun Station development tender and acquired a residential site in Tsing Lung Tau in August and September 2006, respectively, with combined gross floor area of about 1.6 million square feet
- Sizeable Hong Kong land bank of 42.4 million square feet of gross floor area, including two latest additions
- Over 23 million square feet of agricultural land reserves in terms of site area



The Group's land bank in Hong Kong stood at 40.8 million square feet as at 30 June 2006, with composition shown in the charts above. The Group replenishes its development land bank to meet future development needs through various means, including government land auctions, public tenders, private purchases and farmland conversions. Sites acquired during the year added 1.2 million square feet of developable gross floor area. Details of the new additions are provided on

page 9 of the Chairman's Statement. The Group won the rights to develop a project above the West Rail Tuen Mun Station in August 2006. This will include 1.3 million square feet of premium residential premises and a regional shopping mall of 269,000 square feet. The Group also acquired a residential site of about 9,000 square feet of gross floor area in Tsing Lung Tau through government land auction in September this year. It will be developed with an adjacent site

owned by the Group into luxury houses. These new sites bring the Group's Hong Kong land bank to 42.4 million square feet, of which 20 million square feet are properties under development and the remaining 22.4 million square feet completed investment properties. Detailed breakdown of the Group's latest land bank in Hong Kong is shown below.

The 20 million square feet of properties under development comprise 13.2 million square feet for sale and 6.8 million square feet intended as a long-term investment. The Group holds a diverse portfolio in terms of usage. The majority of the development land bank is residential premises for sale. Major shopping malls and prime office developments make up over 70 per cent of the completed investment properties.

The Group's land bank is geographically diverse. About 56 per cent of its development land bank is in urban areas and 44 per cent in the New Territories. About 42 per cent of completed investment properties are spread over various new towns in the New Territories and 58 per cent in Kowloon and Hong Kong Island.

The Group also owns over 23 million square feet of agricultural land in terms of site area, in various new towns along existing or planned rail lines. Most of these sites are being converted into residential use, with the majority already in the advanced stage of conversion.

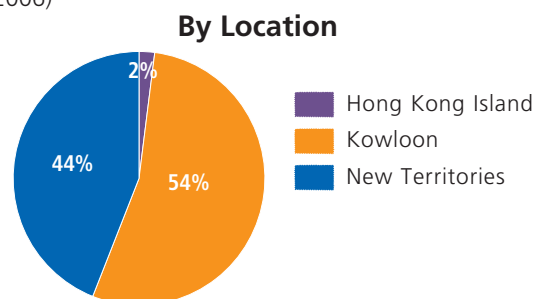
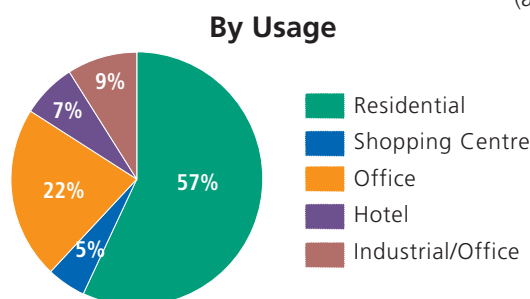
Composition of land bank in Hong Kong (as at September 2006)

	Development for sale	Development for investment	Attributable Gross Floor Area (million square feet) Completed investment properties	Total
Usage				
Residential	11.5	–	1.2	12.7
Shopping Centre	–	1.0	9.2	10.2
Office	–	4.5	6.8	11.3
Hotel	–	1.3	1.5	2.8
Industrial/Office*	1.7	–	3.7	5.4
Total	13.2	6.8	22.4	42.4
Location				
Hong Kong Island	0.5	–	6.6	7.1
Kowloon	5.8	4.9	6.3	17.0
New Territories	6.9	1.9	9.5	18.3
Total	13.2	6.8	22.4	42.4

* Industrial/Office properties include godowns

Properties Under Development in Hong Kong

(as at September 2006)



The Group also entered into a 50-50 joint venture during the year to develop a signature shopping mall in Singapore's famed shopping district on Orchard Road. The project will include a large shopping mall and luxury residences with total gross floor area of 1.4 million square feet.

The Group's land bank on mainland China is described under Mainland China Business on page 49.