

Property Development

The Group is constantly raising standards and coming up with new innovations to satisfy homebuyers' ever-changing aspirations. Its brand name and reputation for quality enhance the marketability and development margins on new projects.



Manhattan Hill, West Kowloon





Highlights

- **19.6-million-square-foot Hong Kong development land bank by gross floor area**
- **2.9 million square feet of residential property completed for sale**
- **Sold or pre-sold an attributable HK\$20,930 million of properties**



Extensive landscaping makes The Vineyard in Yuen Long blend in with the natural surrounding to give residents a green living environment.

Most of the Group's 19.6-million-square-foot development land bank in Hong Kong is earmarked as residential properties for sale. The majority of the projects will be large estates offering a wide range of unit sizes catering to different customers.

The Group has earned a reputation for high-quality products and service over the years. It took the lead in the property industry ten years ago when it began offering a one-year guarantee on new residential developments, and recently extended the guarantee period to two years. The Group's recognized brand name gives homebuyers confidence, which helps enhance development margins. This is evident from the impressive sale results for Severn 8 on The Peak, The Vineyard in Yuen Long, Manhattan Hill and Harbour Green in West Kowloon.

Property Sales

The year ended 30 June 2007 saw the Group sell or pre-sell an attributable HK\$20,930 million worth of property. This is well above the HK\$5,102 million in the previous year and includes HK\$252 million from mainland properties and HK\$2,350 million from Orchard Residences in Singapore. The HK\$18,328 million from Hong Kong properties are mainly attributable to Park Island Phase 5 on Ma Wan, Severn 8 on The Peak, The Vineyard in Yuen Long and Manhattan Hill and Harbour Green in West Kowloon.

The Group will continue offering new projects for sale as planned. Major developments to go on the market over the next few months include The Cullinan at Kowloon Station, and Harbour Place and Beacon Lodge in Kowloon.



A project in Sha Tin Town Lots 421, 438 and 496 will be a low-to medium-density luxury residential development with over 500 units.

Major Projects Under Development

Sha Tin Town Lots 421, 438 and 496

(100% owned)

Site area : 371,000 square feet
 Gross floor area : 691,000 square feet
 Units : about 520
 Expected completion : first half of 2008

This project is made up of three sites in close proximity. It will contain over 500 units of low-and medium-rise luxury units, plus a number of houses, scheduled for completion in the middle of 2008. The project has been designed to give residents an enjoyable lifestyle integrated with the natural environment.

Kwu Tung, Sheung Shui

(100% owned)

Site area : 1.7 million square feet
 Gross floor area : 672,000 square feet
 Units : about 330
 Expected completion : first half of 2009

Kwu Tung is a low-density project with 330 houses surrounded by the greenery adjacent to Beas River with a gross floor area of 672,000 square feet. Foundation work has begun.

Harbour Place

Kowloon Inland Lot 11076

(50% owned)

Attributable site area : 150,000 square feet
 Attributable gross floor area : 793,000 square feet
 Attributable units : about 1,200
 Expected completion : second half of 2007

Harbour Place on the urban Kowloon waterfront has seven residential towers containing nearly 2,500 units. It is currently undergoing a major renovation with the addition of a fully-equipped clubhouse for residents. The renovations are almost finished and the project will go on sale shortly.

Property Development



The Group will build a medium-density residential and house development in the quiet environs of Castle Peak Road.

Tuen Mun Town Lot 465, Castle Peak Road

(100% owned)

Site area : 478,000 square feet
Gross floor area : 621,000 square feet
Units : about 370
Expected completion : first half of 2009

This is a luxury residential development on Castle Peak Road with a mixture of houses and medium-rise blocks in a tranquil, green environment. Foundations work is under way.

YOHO Town Phase 2

Yuen Long Town Lot 504

(100% owned)

Site area : 318,000 square feet
Gross floor area : 1.4 million square feet (residential)
249,000 square feet (retail)
Units : about 2,000
Expected completion : first half of 2010

YOHO Town has easy access to road and rail networks, and Phase 2 will include a regional shopping mall linked to the Yuen Long West Rail station, offering added convenience to the neighbourhood.



YOHO Town phase 2 is readily accessible with nearby road and rail connections.

Rhine Harbour

New Kowloon Inland Lot 6308, Prince Edward Road East

(100% owned)

Site area : 137,000 square feet
 Gross floor area : 1 million square feet (residential)
 205,000 square feet (retail)
 Units : about 1,200
 Expected completion : first half of 2010

This will establish a new residential enclave and shopping destination in East Kowloon, with flats setting new standards of luxury in the district, including scarce four-bedroom units. The development is set to benefit from the South East Kowloon Development plan, which will revitalize the neighbouring districts.

New Kowloon Inland Lot 6350, Ngau Chi Wan

(100% owned)

Site area : 66,500 square feet
 Gross floor area : 775,000 square feet
 Units : about 700
 Expected completion : second half of 2010

This prime site by Kowloon Peak is being developed into 700 luxury residential units; most with panoramic views of urban Kowloon and Victoria Harbour.



Rhine Harbour will be the first luxury development next to the proposed Cruise Terminal.



Most units in this Ngau Chi Wan residential project overlook Kowloon and Victoria Harbour.

Property Development



Tseung Kwan O Area 56 above the MTR station will be developed into residences, hotel accommodation and offices.

Tseung Kwan O Area 56 Development

(Joint venture)

Site area	: 460,000 square feet
Gross floor area	: 1.8 million square feet (total) 1.5 million square feet (attributable)
Units	: about 1,150
Expected completion	: from 2010 in phases

The Group won the right to develop this project February this year. The development is above the MTR Tseung Kwan O station. There will be 861,000 square feet of residential units for sale and the Group will retain 626,000 square feet of hotel space and 54,000 square feet of office premises. Completion is scheduled for 2010 and beyond. There will be a public square and open space to the immediate north of the development that will be the town centre and leisure and entertainment focus of Tseung Kwan O.

Kowloon Inland Lot 11146, West Kowloon

(100% owned)

Site area	: 122,000 square feet
Gross floor area	: 794,000 square feet (residential) 122,000 (retail)
Units	: about 750
Expected completion	: beyond 2010

The Group acquired this site in a government auction in June this year. It has a good location with harbour views, and will be developed into luxury residences.



The West Rail Tuen Mun Station development is at the heart of a comprehensive transport network.

West Rail Tuen Mun Station Development

(Joint venture)

Site area	: 286,000 square feet
Gross floor area	: 1.3 million square feet (residential) 269,000 (retail)
Units	: about 1,900
Expected completion	: beyond 2010

The Group won the development right of this project in August 2006. It will have 1.3 million square feet of premium residential units overlooking Tuen Mun Park and a regional shopping mall of 269,000 square feet. It will be the only major new residential development in the heart of Tuen Mun over the next few years, and with its easy transport links to railways and buses, it is destined to be a central focus in the area.

Lot 2099 in DD 109, Yuen Long

(100% owned)

Site area	: 674,000 square feet
Gross floor area	: 856,000 square feet (residential) 24,000 (retail)
Units	: about 500
Expected completion	: beyond 2010

The Group finished the land use conversion of this site during the year under review and plans to develop it into a prestigious residential development with a mixture of houses, duplexes and apartment towers. The site is close to the Yuen Long and Kam Sheung Road West Rail stations and has convenient road links to the urban areas via Route 3.

International Commerce Centre

Airport Railway Kowloon Station Development Package 7

(Joint venture)

Site area : 790,000 square feet
(for the whole of Packages 5, 6 & 7)
Gross floor area : 2.9 million square feet (Package 7)
Expected completion : from 2007 in phases

Packages 5, 6 and 7 consist of 5.4 million square feet of gross floor area, of which the Group has an attributable holding of 4.7 million square feet. The Group completed Packages 5 & 6 in the year under review, which include one million square feet of deluxe residential units and serviced apartments in The Cullinan, a 900,000-square-foot shopping mall Elements, The HarbourView Place suite hotel and W-Hotel. The Cullinan will go on sale in the next few months.

Package 7 is currently under development and will include the tallest building in Hong Kong – International Commerce Centre (ICC) — and the Ritz-Carlton Hotel. ICC will have ultra-modern facilities and all the amenities demanded by contemporary commercial tenants. The first phase of 900,000 square feet of office will be completed by the end of this year and pre-leasing has been very encouraging. More details are provided on page 34 under Investment Property.

Kwai Chung Town Lot 215

(100% owned)

Site area : 89,000 square feet
Gross floor area : 1.1 million square feet
Expected completion : from 2008 in phases

This will be a premium office development conveniently linked to other parts of the territory by railway connections. The development's specifications and features will meet international standards, setting new benchmarks for premium offices in the district. Construction of first phase of 600,000 square feet is progressing smoothly and completion is expected in mid 2008. Planning of the second phase is in progress.



First phase of ICC with 900,000 square feet of offices will be finished this year, and leasing interest has been strong.



Kwai Chung Town Lot 215 has convenient transport access, and the Group's new premium office development will redefine local standards.

Property Development

Major projects in progress are listed below by year of completion

Location	Project Name	Group's Interest (%)	Residential
Projects to be completed in financial year 2007/08			
Kowloon Inland Lot 11076	Harbour Place	50	777,000
Sha Tin Town Lots 421, 438 and 496		100	691,000
Shun Ning Road/Po On Road, Kowloon	Beacon Lodge	Joint Venture	112,000
18-30 Bedford Rd., Kowloon	Bedford 28	100	55,000
Ngau Tam Mei Phase 2, Yuen Long		100	36,000
Airport Railway Kowloon Station Development Package 7 (first phase)	International Commerce Centre	Joint Venture	—
Kwai Chung Town Lot 215 (first phase)		100	—
Year Total			1,671,000
Projects to be completed in financial year 2008/09			
Kwu Tung, Sheung Shui		100	672,000
Tuen Mun Town Lot 465		100	616,000
Lot 4042 (formerly as Lot 4038) in DD 120, Yuen Long		100	358,000
Ma Wan Development	Park Island Phase 6	Joint Venture	80,000
Lot 4313 in DD 124, Hung Shui Kiu		74	77,000
Pak Sha Tsuen, Yuen Long		100	49,000
Ngau Tam Mei Phase 1A, Yuen Long		100	48,000
Tsing Lung Tau Lot 68		100	9,000
Airport Railway Kowloon Station Development Package 7 (second phase)	International Commerce Centre	Joint Venture	—
Year Total			1,909,000
Projects to be completed in financial year 2009/10			
New Kowloon Inland Lot 6308, Prince Edward Road East	Rhine Harbour	100	1,025,000
Yuen Long Town Lot 504	YOHO Town Phase 2	100	1,454,000
Tsing Lung Tau Lot 67		100	10,500
Airport Railway Kowloon Station Development Package 7 (third phase)	International Commerce Centre/Ritz-Carlton Hotel	Joint Venture	—
129 Hoi Bun Road, Kwun Tong		100	—
483 Castle Peak Road, Cheung Sha Wan		100	—
77 Wing Hong Street, Cheung Sha Wan		100	—
Year Total			2,489,500
Projects to be completed in financial year 2010/11 and beyond			
West Rail Tuen Mun Station Development		Joint Venture	1,286,000
Lot 2099 in DD 109, Yuen Long		100	856,000
Kowloon Inland Lot 11146, West Kowloon		100	794,000
Tseung Kwan O Area 56 Development		Joint Venture	861,000
New Kowloon Inland Lot 6350, Ngau Chi Wan		100	775,000
Ap Lei Chau Inland Lot 129		35	316,000
Shek Wu Wai, Yuen Long		50	227,000
Larch Street/Fir Street Development, Kowloon		Joint Venture	177,000
12 Mount Kellett Road, The Peak		100	42,700
Tuen Mun Town Lot 461, Lam Tei		100	27,000
Kwai Chung Town Lot 215 (second phase)		100	—
49 King Yip Street, Kwun Tong		100	—
181 Hoi Bun Road, Kwun Tong		100	—
Total			5,361,700

Attributable Gross Floor Area (square feet)

Shopping Centre	Office	Hotel	Industrial	Total
16,000	—	—	—	793,000
—	—	—	—	691,000
22,000	—	—	—	134,000
—	—	—	—	55,000
—	—	—	—	36,000
—	900,000	—	—	900,000
26,000	574,000	—	—	600,000
64,000	1,474,000	0	0	3,209,000
—	—	—	—	672,000
5,000	—	—	—	621,000
—	—	—	—	358,000
—	—	—	—	80,000
—	—	—	—	77,000
—	—	—	—	49,000
—	—	—	—	48,000
—	—	—	—	9,000
—	622,000	—	—	622,000
5,000	622,000	0	0	2,536,000
205,000	—	—	—	1,230,000
249,000	—	—	—	1,703,000
—	—	—	—	10,500
—	973,000	417,000	—	1,390,000
—	292,000	—	—	292,000
—	109,000	—	—	109,000
—	—	—	242,000	242,000
454,000	1,374,000	417,000	242,000	4,976,500
269,000	—	—	—	1,555,000
24,000	—	—	—	880,000
122,000	—	—	—	916,000
—	54,000	626,000	—	1,541,000
—	—	—	—	775,000
—	—	—	—	316,000
—	—	—	—	227,000
24,000	—	—	—	201,000
—	—	—	—	42,700
—	—	—	—	27,000
—	497,000	—	—	497,000
—	—	—	120,000	120,000
—	—	—	309,000	309,000
439,000	551,000	626,000	429,000	7,406,700



All Severn 8 houses on The Peak overlook Victoria Harbour.



Park Island penthouses on Ma Wan offers luxury living.

Property Development

Major Projects Under Development

- ▲ Residential ▲ Shopping Centre ▲ Office
▲ Industrial / Office ▲ Hotel

- 01 ▲ Sha Tin Town Lots 421, 438 & 496
- 02 ▲ Kwu Tung
- 03 ▲ Shek Wu Wai
- 04 ▲ Ngau Tam Mei Phase 1A & 2
- 05 ▲ Park Island Phase 6
- 06 ▲ Tsing Lung Tau Lots 67 and 68
- 07 ▲ Ap Lei Chau Inland Lot 129
- 08 ▲ Bedford 28
- 09 ▲ Lot 4042 in DD120, Yuen Long
- 10 ▲ Pak Sha Tsuen
- 11 ▲ Lot 4313 in DD124, Hung Shui Kiu
- 12 ▲ New Kowloon Inland Lot 6350, Ngau Chi Wan
- 13 ▲ Tuen Mun Town Lot 461, Lam Tei
- 14 ▲ 12 Mount Kellett Road, The Peak
- 15 ▲ Tuen Mun Town Lot 465
- 16 ▲ West Rail Tuen Mun Station Development
- 17 ▲ YOHO Town Phase 2
- 18 ▲ Beacon Lodge
- 19 ▲ Rhine Harbour
- 20 ▲ Harbour Place
- 21 ▲ Lot 2099 in DD 109, Yuen Long
- 22 ▲ Kowloon Inland Lot 11146
- 23 ▲ Larch Street / Fir Street Development
- 24 ▲ Tseung Kwan O Area 56 Development
- 25 ▲ International Commerce Centre and Ritz-Carlton Hotel
- 26 ▲ Kwai Chung Town Lot 215
- 27 ▲ 129 Hoi Bun Road
- 28 ▲ 483 Castle Peak Road
- 29 ▲ 77 Wing Hong Street
- 30 ▲ 49 King Yip Street
- 31 ▲ 181 Hoi Bun Road



