



MAISON MODE TIMES

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THE BOUTIQUE

China Properties



The land bank in the Mainland is approaching 50 million square feet (from 17 million at the beginning of 2006). Some of the earlier projects are expected to start to make a profit contribution in 2007.

Economic growth in China provides attractive investment opportunities for Hong Kong and overseas companies, and the Group is increasing its investments in China with further land acquisitions. Its land bank and investment properties in the Mainland is now over 50 million square feet, covering eight cities, including Beijing, Shanghai, Chongqing, Wuhan, Dalian, Chengdu, Suzhou and Wuxi.

In addition, the three completed properties, namely Beijing Capital Times Square, Shanghai Times Square and the retail podium of Chongqing Times Square, all performed satisfactorily. Rental revenue rose by 15% and operating profit by 53% during 2006.

Balance Sheet (Extract)

As at December 31, 2006

	HK\$ Million
Investment properties	5,143
Other properties and fixed assets	1,148
	6,291
Property inventory and development	4,122
Net current liabilities	(434)
Other non-current liabilities	(808)
Net business assets (before debt)	9,171

Investment Properties

Beijing Capital Times Square, with total floor area of 1.3 million square feet, is located along West Changan Avenue (西長安街) in the Xidan (西單) area. Average office occupancy was maintained at over 90% throughout 2006. Revamp of tenant mix at the retail podium is in progress.

Shanghai Times Square, with total floor area of 1.2 million square feet, is conveniently located on Hui Hai Zong Road (淮海中路) in Puxi (浦西) with excellent connectivity to all transport systems. Average occupancy of its office, retail and apartment sectors was maintained at close to or over 90% throughout 2006.

Chongqing Times Square is located in the Liberation Statue Square (解放碑廣場). Residential Towers A, B, C and D were 90% sold at the end of 2006. The retail podium, which consists of a 578,000-square-foot department store, opened in December 2004.

Projects under Development

Ideally located on Yan Jiang Da Dao (沿江大道) fronting the Yangtze River (長江) in Hankou (漢口), the 2.4 million square feet Wuhan Times Square is being developed into a retail, residential, apartment and hotel complex, with target completion in late 2007. Pre-sale of part of Towers 3 and 4 was met with favourable responses, with 72% of the units launched pre-sold by the end of 2006.

Dalian Times Square is strategically located along Ren Min Road (人民路) in Zhongshan District (中山區) in Dalian. The 1.9 million-square-foot complex will include retail (0.2 million square feet), residential (1.3 million square feet) and car park facilities. Superstructure works are in progress and the project is scheduled for completion by mid-2008.

Lot 1717, Nan Jing Xi Road (南京西路) in Shanghai, with total floor area of 1.6 million square feet, comprises a top quality Grade A office tower with cutting-edge specifications and facilities plus a retail annex linking to a major subway station. Basement works are in progress and the development is scheduled for completion by mid-2009.

No.11 Dong Da Jie (東大街) is ideally located in Jinjiang District (錦江區) at the heart of the Chengdu city centre. It is a 6.1 million-square-foot mixed-use development comprising retail, office, hotel and residential that will be linked to a major subway station. Basement works are underway and the development is scheduled for completion in 2010.

Another site in Chengdu is at No.10 Gaoxin District (高新區) and is planned for a 6.1 million-square-foot high-end residential development with complementary retail facilities. The site, which was acquired in April 2006 for RMB829 million, is located only 100 metres from a new subway station. Planning work has started and the development is expected to be completed in 2010. With the municipal government's upcoming relocation to the vicinity, the district is expected to become the new civic centre of Chengdu.

For other properties, pre-sale of Wellington Garden's 286 units in Shanghai has commenced with 57% of the total number of units launched pre-sold by the end of 2006. Wellington Garden is expected to be completed in the first half of 2007. Two other projects in Shanghai, No. 1 Xin Hua Road (新華路) and Jingan Garden are progressing according to plan.

New Acquisitions

In December 2006 and January 2007, the Group acquired three prime lots in the cities of Suzhou, Wuxi and Chengdu.

The Suzhou lot, which was acquired through public auction for RMB1,268 million, has a site area of about 3.7 million square feet and is superbly-located between Jinji Lake (金雞湖) and Dushu Lake (獨墅湖) in the eastern side of the city next to a 27-hole golf club. Planning is underway for the development of premier deluxe low density residences with total floor area of 3.1 million square feet.

Adjacent to the Taihu Plaza (太湖廣場) in the Nanchang District (南長區), the Wuxi lot, acquired for RMB1,531 million, comprises two parcels of land planned for upscale residential (10.7 million square feet) and a super commercial development (3.6 million square feet) respectively. Total site area is 3.6 million square feet with total floor area of 14.3 million square feet. The development will be served by well-connected infrastructure upon completion of express railways and a metro line by 2008 and 2010 respectively.

The Group's third Chengdu site, ideally located in Shuangliu Development Zone (雙流發展區), was 11 km from the city centre with convenient access to airport in Chengdu. Acquired at a cost of RMB311 million, total site area is about 3.9 million square feet and it will be developed into a mixed-use development comprising retail, hotel and residential space with a total floor area of more than 10.2 million square feet. The development is planned to incorporate some of the trendiest retail concepts in the Mainland including an outlet mall.

China Property List

	Project Nature	GFA (sq ft) *	Status	Completion
Beijing Capital Times Square	Office/Retail	1,295,000	For Lease	1999
Shanghai Times Square	Office/Retail/Apartment	1,211,000	For Lease	1999
Chongqing Times Square	Office/Retail/Residential #	1,570,000**	For Lease / Sale	2004
Wellington Garden (Shanghai)	Residential #	564,000***	Under Construction	2007
Wuhan Times Square	Retail/Hotel/Residential #	2,377,000***	Under Construction	2007
Dalian Times Square	Retail/Residential	1,867,000	Under Construction	2008
No.1 Xin Hua Road (Shanghai)	Residential##	264,000	Under Construction	2008
Lot 1717 Nan Jing Xi Road (Shanghai)	Office/Retail	1,580,000	Under Construction	2009
No.11 Dong Da Jie (Chengdu)	Office/Retail/Hotel/Residential #	6,067,000	Under Construction	2010
Jingan Garden (Shanghai)	Residential #	972,000	Under Planning	2010
Lot No.68210 Suzhou Industrial Park (Suzhou)	Residential	3,118,000	Under Planning	2010
No.10 Gaoxin District (Chengdu)	Retail/Residential #	6,054,000	Under Planning	2011
Shuangliu Development Zone (Chengdu)	Retail/Hotel/Residential #	10,216,000	Under Planning	2012
Taihu Plaza Project (Wuxi)	Office/Retail/Hotel/Residential #	14,357,000	Under Planning	2013

Residential includes office-apartments * Including carpark area ** Partly sold *** Partly pre-sold
Based on a design scheme in compliance with prevailing planning parameters