





# China Properties

Since 2005, the Group has acquired 19 sites in various Mainland cities for development. As at the end of 2008, the Group's attributable landbank and investment properties totalled close to our interim target of 100 million square feet of gross floor area.



Balance Sheet (Extract)

As at 31 December 2008

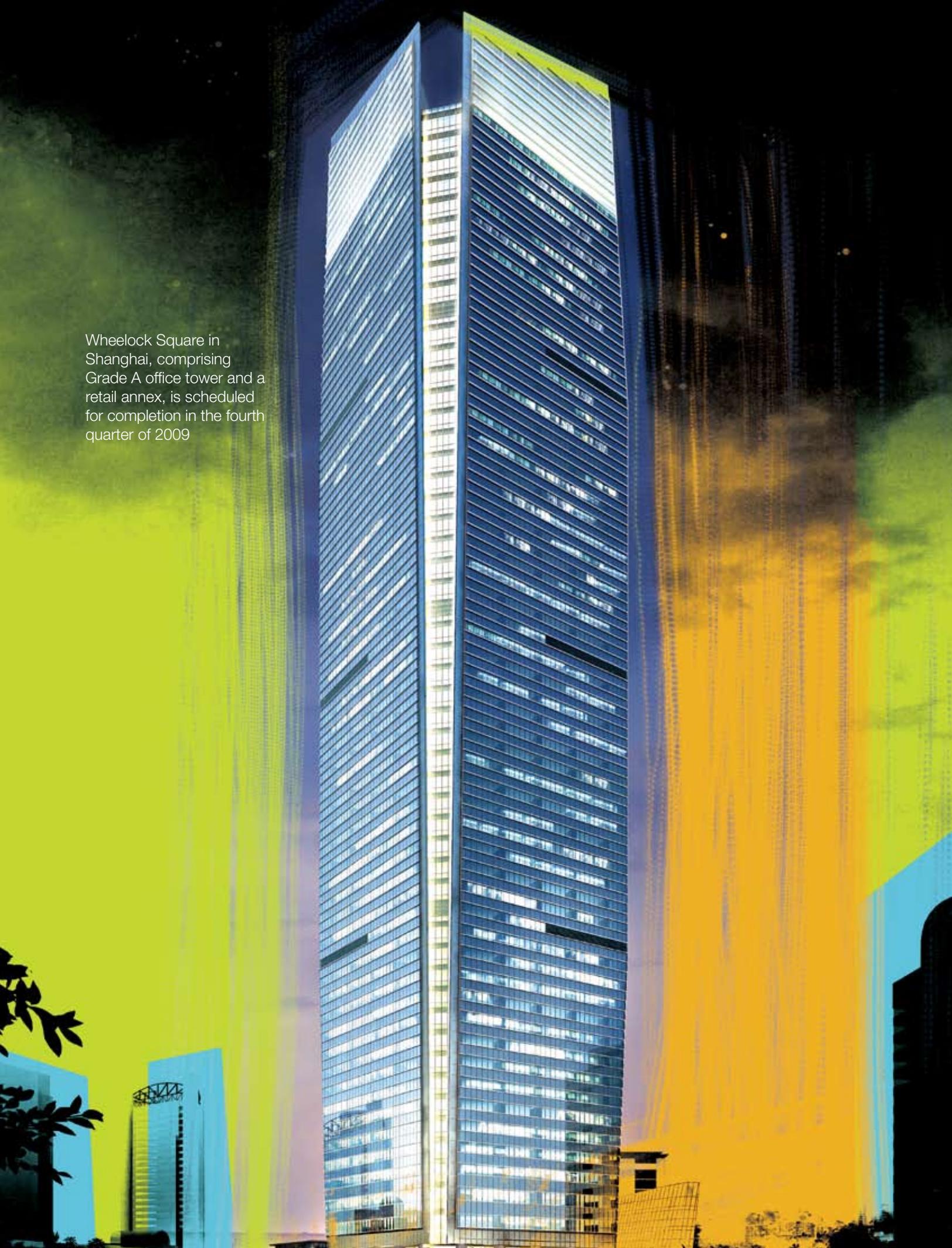
	HK\$ Million
Investment properties	7,181
Other properties and fixed assets	2,691
Interest in associates/jointly controlled entities	7,679
Property inventory and development	16,455
	34,006
Net current liabilities	(2,495)
Other non-current liabilities	(1,783)
Net business assets (before debt)	29,728

Beijing Capital Times Square, Shanghai Times Square and the retail podium of Chongqing Times Square performed satisfactorily. Total revenue and operating profit for these three investment properties grew by 22% and 38% respectively.

Wuhan Times Square, comprising four residential towers and one office-apartment tower for sale and a hotel for investment purposes, was completed at the end of 2008. The new hotel – Marco Polo Wuhan (“MPW”) opened on 15 September 2008 and provides premium accommodation and

enhanced meeting services to travellers in Hankou, the commercial centre of Wuhan. Ideally located at the edge of an urban riverfront park with panoramic views of the Yangtze River and close to the Wuhan business district area, MPW is well positioned as a widely popular destination for both business and leisure travellers. Being part of the Times Square residential and commercial complex, MPW houses a number of international brand name flagship stores for Central China, including Ermenegildo Zegna, Glasstique, Louis Vuitton and Tod’s.

Wheelock Square in Shanghai, comprising Grade A office tower and a retail annex, is scheduled for completion in the fourth quarter of 2009





Pre-sales of residential units of Crystal Park (left) and Tian Fu Times Square (right) in Chengdu met with great success in 2008

The 180,000-square-foot retail podium of Dalian Times Square, which is destined to become a shopping landmark in Dalian, opened in late November 2008. The deluxe shopping mall houses a host of top-notch brands including Dior, Fendi, Giorgio Armani, Gucci, Hermes, Louis Vuitton, Prada, Versace, etc.

Significant development profit from China properties in 2007 did not recur during the year owing to booking of fewer units which were completed by 2008. Development profit from sales of two completed launched projects (Wellington Garden in Shanghai and Wuhan Times Square) was HK\$91 million (2007: HK\$718 million).

The Group successfully sold/pre-sold various properties in China in 2008, including Wellington Garden in Shanghai, Wuhan Times Square, Tian Fu Times Square in Chengdu, Dalian Times No. 8, Crystal Park (formerly known as No. 10

Gaoxin District (高新區)) in Chengdu and Danzishi (彈子石) project in Chongqing. In accordance with the Group's accounting policy, relevant profits for the Chengdu, Dalian and Chongqing projects will only be recognised at project completion. This resulted in a decrease of the Group's property development profit for the year.

Wellington Garden in Shanghai is a high-end residential and office-apartment development. The two residential blocks were fully sold while sales of the office-apartment block were launched in December 2007, with 40% sold as at the end of 2008 at excellent unit price. The four residential towers at Wuhan Times Square have been 98% sold and sales of the units in the office-apartment tower reached 31%.

At Tian Fu Times Square in Chengdu, over 98% of the first three residential towers were successfully pre-sold at record high unit price in the city.

Dalian Times Square, including two residential blocks, launched its pre-sale of one residential tower in late June 2008 and successfully pre-sold 89% of its units at excellent unit price, achieving a record-breaking price of over RMB25,000 per square metre for a select deluxe duplex unit. Another residential tower has recently been launched for sale and the pre-sales achieved excellent unit price.

Crystal Park in Gaoxin District in Chengdu, launched its pre-sale of the first two residential towers in the latter part of the year. As at the end of 2008, about 31% of the units launched were pre-sold. Construction works are in progress, with the first four residential towers scheduled to be completed by the end of 2009. The project is planned for residential and commercial developments.



Commanding a league of world-renowned brands, the retail podium of Dalian Times Square is destined to become a shopping landmark in the city

Danzishi of Nanan District (南岸區) along the Yangtze River, developed by the Group and China Overseas group on a 40:60 ownership basis, launched its pre-sale of the first three residential towers in the latter part of the year. About 60% of the units launched were pre-sold by the end of 2008. It will be developed into a high-end residential and retail project, which is scheduled for completion in phases by 2014.

### Other Projects under Development

Wheelock Square at Nanjing Xi Road (南京西路) of Shanghai, with an attributable plot ratio GFA of 1.2 million square feet, comprises a top quality Grade A office tower plus a retail annex. Completion is scheduled for the fourth quarter of 2009.

Superbly located at the north side of Huai Hai Xi Road (淮海西路) in Changning District (長寧區) of Shanghai, No. 1 Xin Hua Road (新華路) is a planned low density residential development with an attributable plot ratio GFA of 0.2 million square feet. The project

is scheduled for completion by the end of 2009. Another high-end residential project in Shanghai, Jingan Garden is progressing according to plan.

Superbly located in Shuangliu Development Zone (雙流發展區), the Group's third site in Chengdu will be developed into a mixed-use complex comprising an outlet mall, office and residential space with an attributable plot ratio GFA of 9.8 million square feet. The first phase of construction of the commercial outlet is in progress and is scheduled for completion by April 2009.

The Group's sites in the Nanchang District (南長區), Wuxi, comprise two parcels of land, with a total attributable plot ratio GFA of 11.9 million square feet. One parcel is planned for an upscale residential project (8.9 million square feet) and the other is for a high-rise commercial development (3.0 million square feet). Construction for the first phase of residential developments will commence by the first quarter of 2009 and the whole residential development is

scheduled for completion by 2015. The commercial development at Taihu Plaza comprises offices (including a 339-metre super tower), hotel and apartments. It is expected to be completed by 2014.

Ideally located on Hongxing Road (紅星路) in the prime Jinjiang District (錦江區), the Group's fourth site in Chengdu is right in the heart of Chengdu's vibrant business centre. With an attributable plot ratio GFA of 4.7 million square feet, the project will include Grade A offices, a five-star hotel, a mega retail complex and luxurious residences. Planning and design of the project is well underway.

The Group's first lot in Suzhou 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. It will be developed into premier deluxe low density residences with an attributable plot ratio GFA of 2.1 million square feet. Construction work is scheduled to commence by the first half of 2009.

## China Properties

## China Property List

	Project Nature	Attributable Plot Ratio GFA (sq ft)	Status	Effective % Owned
Beijing Capital Times Square	Office/Retail	1,114,000	For Lease	88
Shanghai Times Square	Office/Retail/Apartment	973,000	For Lease	100
Chongqing Times Square	Office/Retail	591,800	For Sale/Lease	100
Wellington Garden Tower 3 (Shanghai)	Residential	128,000	For Sale	59
Wuhan Times Square Tower 2	Retail/Hotel	413,000	For Lease	100
Wuhan Times Square Towers 1, 3, 4, 8 & 9	Residential	263,000	For Sale	100
Dalian Times Square	Retail/Residential	1,499,000 <sup>#</sup>	For Lease/Sale	100
Wheelock Square	Office/Retail	1,228,000	Under Construction	98
No.1 Xin Hua Road (Shanghai)	Residential	206,000	Under Construction	85
Tian Fu Times Square (Chengdu)	Office/Retail/Residential	4,856,000 <sup>#</sup>	Under Construction	100
Crystal Park (Chengdu) <sup>+</sup>	Office/Retail/Residential	4,425,000 <sup>#</sup>	Under Construction	100
Hangzhou CBD Project	Retail/Hotel/Residential	1,255,000 (40%) <sup>##</sup>	Under Construction	28
Zhuantang Town Project (Hangzhou)	Retail/Residential	2,004,000 (50%) <sup>##</sup>	Under Construction	50
Wuxi Taihu Plaza Project				
Taihu Plaza Project (Wuxi)	Residential	8,949,000	Under Construction	100
Wuxi Super Tower	Office/Hotel/Residential	3,010,000	Under Construction	100
Danzishi Project (Chongqing)	Retail/Residential	9,038,000 <sup>#</sup> (40%) <sup>##</sup>	Under Construction	40
Chengdu Shahe Project	Office/Retail/Hotel/Residential	4,046,000 (30%) <sup>##</sup>	Under Planning	30
Chengdu IFC (Chengdu)	Office/Retail/Hotel/Residential	4,724,000	Under Planning	100
Lot No. 68210 Suzhou Industrial Park	Residential	2,123,000	Under Planning	100
Shuangliu Development Zone (Chengdu)	Office/Retail/Residential	9,807,000 <sup>**</sup>	Under Planning	100
Suzhou Industrial Park				
Xiandai Da Dao	Residential	9,765,000	Under Planning	56
Suzhou Super Tower	Office/Residential	3,780,000	Under Planning	56
Jingan Garden (Shanghai)	Residential	763,000	Under Planning	55
Suzhou Wei Ting Project, Suzhou Industrial Park	Residential	908,000 (50%) <sup>##</sup>	Under Planning	50
Changzhou Dinosaur Park Project	Hotel/Residential	8,681,000	Under Planning	70
Wuxi Old Canal Lot 71	Residential	2,551,000	Under Planning	100
Wuxi Old Canal Lot 72	Office/Residential	2,670,000	Under Planning	100
Wuxi Old Canal Lot 73	Residential	1,760,000 (50%) <sup>##</sup>	Under Planning	50
Jiangbei City Project (Chongqing)	Residential	2,524,000 (55%) <sup>##</sup>	Under Planning	39

For details of completion date of above properties, please refer to Schedule of Principal Properties on pages 132 to 137

<sup>\*\*</sup> Retail includes 686,000-square-foot outlet mall expected to be completed in 2009

<sup>#</sup> Partly pre-sold

<sup>##</sup> Being attributable percentage held through jointly controlled entities/associates and the respective GFA are shown on an attributable basis

<sup>+</sup> Formerly known as No. 10 Gaoxin District (Chengdu)

The Group's second site acquired in Suzhou is being jointly developed by the Group and the China Merchants Property group on a 50:50 ownership basis. Ideally located in the Suzhou Industrial Park (蘇州工業園區) next to Qing Jian Hu (青劍湖) and Wei Ting Sun Island Golf & Resorts (唯亭太陽島高爾夫俱樂部), the project will be a residential development with an attributable plot ratio GFA of 908,000 square feet.

The Group's first lot in Hangzhou comprises four land parcels jointly developed by the Group and Jindu group on a 50:50 ownership basis. Superbly located in a prime area in the Xihu District (西湖區), Zhuantang Town (轉塘鎮), and is in the proximity of Songcheng (宋城) next to West Lake International Golf & Country Club (西湖國際高爾夫俱樂部), the connected sites will offer an attributable plot ratio GFA of 2.0 million square feet and is scheduled for completion in phases by 2014.

The Group through Harbour Centre Development Limited ("HCDL") also acquired five valuable sites in the cities of Chongqing, Suzhou, Hangzhou and Changzhou during 2007. The first four sites were acquired through partnering with strong local property developers while the remaining site in Changzhou is wholly-owned by HCDL. Descriptions of these projects are as follows:



The Old Canal projects in Wuxi are planned for completion in phases from 2014 to 2015

A land lot in Jiangbei City (江北城) of Jiangbei District (江北區), Chongqing, is being jointly developed by HCDL and China Overseas group on a 55:45 ownership basis into a high end residential project. Superbly located in the eastern side of Jiangbei City, facing Yangtze River in the east and north and Jialing River (嘉陵江) in the south, the land lot offers a plot ratio GFA of 2.5 million square feet attributable to the Group. Completion is scheduled in phases by 2014.

Two land parcels on Xinghu Jie (星湖街) and Xiandai Da Dao (現代大道) in Suzhou Industrial Park (蘇州工業園區) are being developed by an 80:20 joint venture between HCDL and Genway Housing Development group. The parcels offer a plot ratio GFA of 13.5 million square feet attributable to the Group. A 400-metre skyscraper landmark will be built at the site of Xinghu Jie while the site at Xiandai Da Dao will house residential development. Planning and design are in progress.

Through a 40:60 joint venture with Greentown China Holdings, HCDL is developing a land parcel in Hangzhou that is superbly located in the new Hangzhou Central Business District (錢江新城) and



frontal to the Qiangtang Jiang (錢塘江). The site offers a plot ratio GFA of 1.3 million square feet attributable to the Group. The development comprises high end residences, apartments and a five-star hotel. The whole project is expected to be completed in phases by 2013.

HCDL's land parcel in Xinbei District (新北區) of Changzhou offers a plot ratio GFA of 8.7 million square feet. Ideally located in the prime area of Xinbei District, the parcel is just five kilometres away from the city centre, in the vicinity of China Changzhou Dinosaur Land theme park (中華恐龍園) and Xin Qu Park (新區公園). It boasts superb air-sea-land transportation links to Changzhou Airport and Huning Express Railway. The development comprises mainly high-end residences and a 5-star hotel. The whole project is scheduled for completion in phases by 2014.

## New Acquisitions

The Group, in January 2008, acquired three pieces of land parcels in Nanchang District (南長區) in Wuxi alongside the 2,500-year-old ancient canal (京杭運河), which offer a plot ratio GFA of 7.0 million square feet attributable to the Group. Two of these sites were wholly owned by the Group (plot ratio GFA: 5.2 million square feet) and the remaining site (plot ratio GFA: 3.5 million square feet) is being developed by the Group and Shanghai Forte on a 50:50 ownership basis. These sites are planned for commercial and residential development. Completion of these sites is scheduled in phases for 2014 to 2015.

In July 2008, the Group entered into a joint venture agreement with Sun Hung Kai Properties and Henderson Land on a 30:40:30 ownership basis to jointly develop a prime commercial site in Dong Da Jie (東大街) in Chengdu into an integrated commercial complex comprising an office tower of over 280 metres, a five-star hotel, high-end shopping centre with international retailers and residential apartments. Total plot ratio GFA for the overall development is expected to be over 13 million square feet to be completed over a period of 10 years.