

“ We are dedicated to building Wharf China to become a forerunner among all Hong Kong developers in the China real estate market in the next 3 to 5 years. ”

Andrew Chow

Vice Chairman, Wharf China Development Limited

“ While we continue to place top management focus to our China business, we would not have achieved what we did without leveraging local knowledge and organisation which enhance efficiency and effectiveness. Commitment to localization is the inevitable approach and a sustainable way to be really successful in China. ”

T Y Ng

*Executive Director, The Wharf (Holdings) Limited, and
Senior Managing Director, Wharf China Development Limited*





China Properties

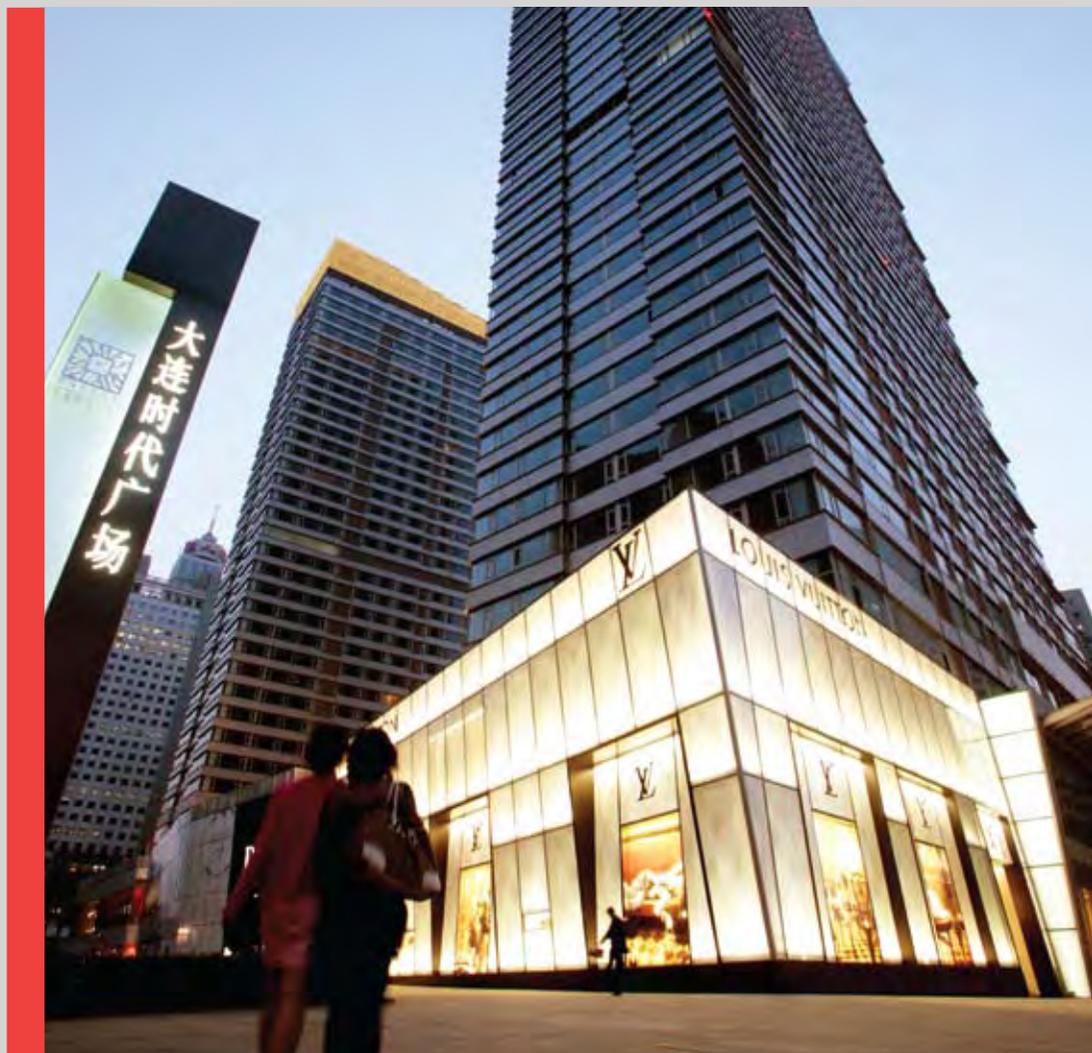
Total Business Assets

HK\$ **41,000** million

Total landbank exceeding

100,000,000
sq ft attributable GFA

All four completed Times Squares, in Beijing, Chongqing, Dalian and Shanghai performed satisfactorily with total revenue rising by 15% and operating profit by 26%.





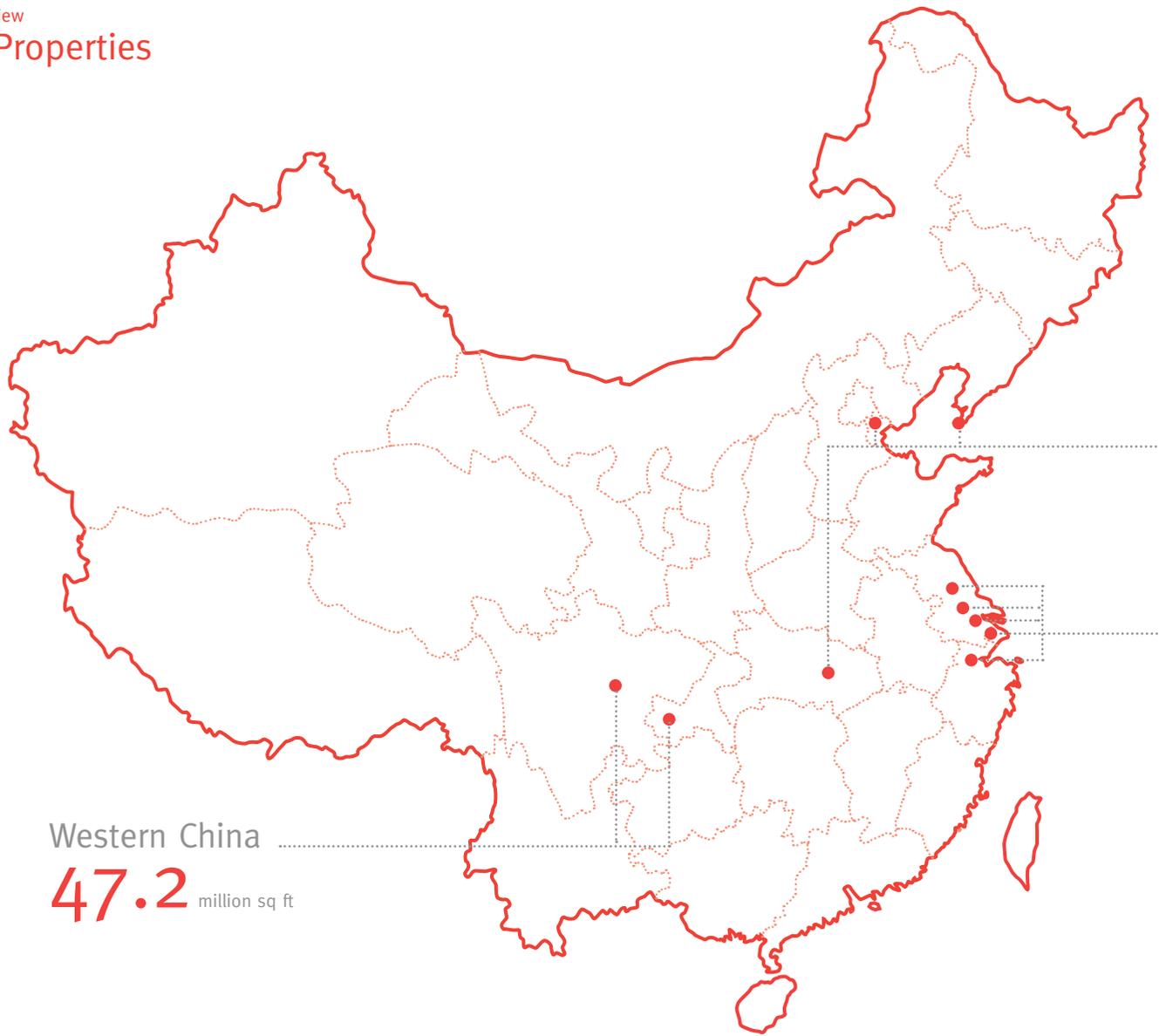
Statement of Financial Position (Extract)

As at 31 December 2009

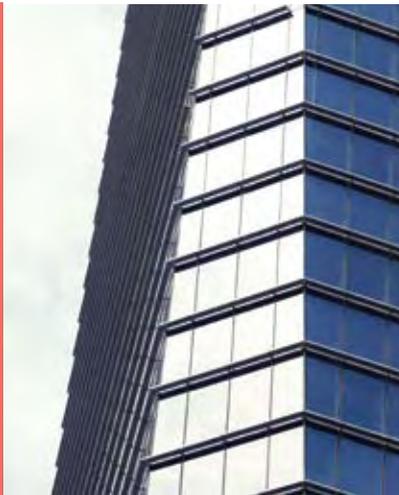
Business Assets	HKS Million
Investment properties	12,809
Property inventory and development	16,979
Interest in associates/jointly controlled entities	7,634
Other properties and fixed assets	577
Other assets	3,001
Total business assets	41,000



China Properties



The China property segment, while still at a relatively early stage of development, outpaced all other segments in profit growth in 2009.



The Group's land bank in the mainland has already exceeded the interim target of 100 million square feet.

Other regions

4.4 million sq ft

Eastern China

52.1 million sq ft

The Group's strategy to increase its Mainland assets to 50% of the Group's total is progressing well. Its land bank in the Mainland has already exceeded the interim target of 100 million square feet after its recent acquisition of six prime sites for development in the cities of Chengdu, Chongqing, Hangzhou and Tianjin since September 2009.

In investment properties, all four completed Times Squares, in Beijing, Chongqing, Dalian and Shanghai performed satisfactorily. Total revenue spurred by a full-year contribution from Dalian Times Square, which opened in late 2008, rose by 15% and operating profit by 26%. The disposal of the Beijing Capital Times Square in November 2009 for RMB2.7 billion at an after-tax profit

amounting to HK\$1.4 billion was recognised in 2009.

Turnover for property development grew by HK\$2,355 million to HK\$3,065 million and profit before tax improved by HK\$1,242 million to HK\$1,074 million.

Thanks to the economic stimulus measures by the Central Government, the property market in the Mainland, following a fall-off in late 2008, has regained momentum and turned up distinctly in 2009. Underpinned by its reputable brand strength, execution capability and well-located residential projects, the Group has proven track record of price leadership in the marketplace. Both sales volume and prices achieved have been kept on a rising trend. As a result, the Group has surpassed its 4.5-million-square-foot sales target for the full year of 2009. A total of 4.7 million square feet of properties were sold or pre-sold in 2009, with a combined value of RMB4.6 billion, primarily in Chengdu, Chongqing, Dalian, Shanghai and Wuxi.





Property Investment

The Group was particularly active in Chengdu, Sichuan. Chengdu International Finance Centre is the Group's next flagship development. Ideally located in Hongxing Road (紅星路) in the heart of the city's business centre, it is comparable in scale and significance to Harbour City in Hong Kong. It will comprise a mega retail complex, Grade A offices, a five-star hotel and luxury residences. From its superb location in the city's main commercial district, the project will link to the adjacent mass transit railway station where two lines intersect. It aims to become the "Best of the West" as the new shopping hub for not only Chengdu but also the entire Western region. Foundation work has commenced. Phase one of the project comprising the mega retail complex and one office tower is targeted to complete by the first half of 2013.

Property Development

Over 99% of the first nine residential towers (Times Residences) at Tian Fu Times Square in Chengdu, six of which launched during February-October 2009, have been sold/pre-sold. The first three

towers were completed and the related property sales profits were recognised in 2009. Over 99% of the first eight residential towers at Crystal Park, six of which launched during February-June 2009, have been sold/pre-sold. The ninth residential tower has recently been launched for sales since mid-January 2010. Over 98% of these units offered were pre-sold within one month at an average price of over RMB9,200 per square metre, which has surged notably from the previous price levels. The first four towers were completed and the related property sales profits were booked in 2009.

In Chongqing, the CBD International Community project in Danzishi (彈子石) of Nanan District (南岸區) along the Yangtze River (長江), ideally located in the future headquarters hub of Chongqing and developed by the Group and China Overseas Group on a 40:60 basis, has pre-sold over 99% of its first 13 residential towers and 88% of its retail units launched. The development comprises 22.6 million square feet GFA of high-end comprehensive residences, apartments/retail development and is expected to be completed in phases by 2014.

Other Projects under Development

In Chengdu, a site in Shuangliu Development Zone (雙流發展區) will be developed into a commercial and residential complex with an attributable GFA of 9.8 million square feet. In Phase one, an outlet mall, namely, Times outlets with an attributable GFA of 680,000 square feet, started trial operation on 27 November 2009. Grand opening was held on 18 December 2009. It attracted a spate of reputable international and local brands including Adidas, Cerruti 1881, Guess, Hush Puppies, Kent & Curwen and Nike etc. In addition, a site in Dongda Jie (東大街) of Jinjiang District (錦江區) will be



Tian Fu Times Square, Chengdu



- ◀ Crystal Park, Chengdu
- ▼ Chongqing Times Square

developed with Sun Hung Kai Properties and Henderson Land in the near future. The Group's 30% stake translates into an attributable GFA of over 4.0 million square feet.

Separately, listed subsidiary Harbour Centre Development Limited ("HCDL") is developing a prime site in Chongqing, a joint development with China Overseas Group with HCDL owning 55%, which is ideally located in Jiangbei City (江北城) facing both Yangtze River (長江) and Jialing River (嘉陵江). Chongqing is designated as one of the five national central cities and is the only one in the central and western China region. Jiangbei City is to become the future Central Business District ("CBD") with excellent transportation links. Furthermore, light railway lines 6 and 9 will be passing this area with respective stations near the site. Developments in this new CBD include City of Memory (記憶之城) comprising public facilities, three theme parks and shopping centres, together with City of Future (未來之城) comprising Grade A office buildings, 5-star hotels and shopping centres. This Chongqing project, adjacent to the Chongqing City Grand Theatre (重慶大劇院), the Chongqing Science Museum (重慶科技館) and the Central Park (中央公園), boasts a site area of about one million square feet and offers an attributable GFA of 2.5 million square feet. Planning approval is underway. This prestigious residential development is scheduled for completion in phases by 2014.

New Acquisition

The Group, since September 2009, has acquired two prime sites in the cities of both Chengdu and Chongqing.

In Chengdu, following its acquisition of five prime sites over the past few years, the Group has acquired, since November 2009, another two sites close to the city centre for residential development. One of the sites is located at Jinjiang District (錦江區) and bounded by Dongdajie (東大街) to its southern side and Jinhua Nan Lu (經華南路) to its eastern side. It is close to the junction of first Ring Road and Dongdajie, which provides direct access to the city centre and major districts in Chengdu. Metro line 2 will pass through Dongdajie with a stop at Niushikou (牛市口), 500 metres from the site. The development boasts a site area of 160,000 square feet and offers a GFA of 639,000 square feet. Planning and design are in progress. Construction is targeted to commence by mid 2010. Another site is located at a mature residential area in east second Ring Road of Chenghua District (成華區·川棉廠) with sufficient community facilities nearby. It offers a GFA of 3.5 million square feet and will be developed into upscale residences.

Following its acquisition of one site in Jiangbei City (江北城) and one site in Danzishi (彈子石) of Chongqing which are designated to be the future CBD with good transportation networks, the Group



acquired another two sites in Jiangbei City. All of these sites are developed together with China Overseas Group. With these acquisitions, the Group has become the dominant player in the future CBD of Chongqing that secures its distinct positioning in the district. The two recent sites, being developed by the Group and China Overseas Group on a 50:50 basis, boast a site area of 2.9 million square feet developable into 14.4 million square feet (attributable GFA: 7.2 million square feet). One of the sites perfectly located at the centre of Jiangbei City, is for commercial development. This site, which embraces a GFA of 4.8 million square feet (attributable GFA: 2.4 million square feet), will be developed into a large commercial complex comprising retail, offices and apartments. Another site which offers a GFA of 9.6 million square feet (attributable GFA: 4.8 million square feet), will be developed into high-end residences. Construction is targeted to commence in the third quarter of 2010 and completion is expected to take place in 2018.

Eastern China



Property Investment

Probably the tallest building in Puxi, Shanghai, the Wheelock Square at Nanjing Xi Road (南京西路), with an attributable GFA of 1.2 million square feet of premium Grade A offices, is scheduled for completion by June 2010. Marketing of Wheelock Square is in progress following the completion of the show suite in 2009. Commitments and letter of intent received so far are encouraging.

Property Development

In terms of property development, No. 1 Xin Hua Road in Shanghai is a low density super-deluxe residential development ideally located at the junction of Xin Hua Road (新華路) and Huai Hai Xi Road (淮海西路) in Changning District (長寧區). The first four residential blocks have been launched since August 2009, of which 86% have been pre-sold at an average price of RMB80,000 per square metre. Latest transactions witnessed an average price exceeding RMB100,000 per square metre. The development is expected to be completed by July 2010.

At Wellington Garden, 100% of the units had been sold at the end of December 2009.

In Wuxi, the first 22 residential towers (Wuxi Times City) at Wuxi Taihu Plaza have been launched since August 2009, of which 83% have been pre-sold at excellent prices. 14 of these towers were launched in 2009 while the rest in the first quarter of 2010. Construction work for the first phase of residential development is underway. The whole development is scheduled for completion in phases by 2015.

Other Projects under Development

The Jingan Garden in Shanghai is well located at the prime residential area of Jingan District on Wanhangu Road (萬航渡路). It offers an attributable GFA of 763,000 square feet. Construction work is expected to commence in the fourth quarter of 2010. The development is scheduled for completion by 2013.

In Suzhou, a site located between Jinji Lake (金雞湖) and Dushu Lake (獨墅湖) on the eastern side of the city and next to a 27-hole golf club will be developed into deluxe low density residences with an attributable GFA of 2.1 million square feet. Construction work has commenced since the fourth quarter of 2009. Another site, 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), is being developed by the Group and China Merchants Property on a 50:50 basis. The residential development will have an attributable GFA of 0.9 million square feet.

In Hangzhou, a site ideally located in a prime area in the Xihu District (西湖區), Zhuantang Town (轉塘鎮) and next to West Lake International Golf & Country Club (西湖國際高爾夫俱樂部) in the proximity of Songcheng (宋城), is jointly developed with Jindu on a 50:50 basis. It will offer an attributable GFA of 2.0 million square feet and is scheduled for completion in phases by 2014. Construction work for the first three phases has commenced.

In Wuxi, a site located along Beijing-Hangzhou Grand Canal (京杭大運河) at Renmin Plaza (人民廣場), in the new CBD Nanchang (南長區), comprises two parcels of land with a total attributable GFA of 11.9 million square feet. One



Wheelock Square, Shanghai

parcel is planned for an upscale residential project (8.9 million square feet), namely, Wuxi Times City. Pre-sale of which has commenced since August 2009 and its sales progress has been previously described. The other land parcel is for a high-rise commercial development, which comprises offices (including a super high rise tower), hotel and apartments, is expected to be completed by 2016.

The second site in Wuxi comprising three land parcels is also located in Nanchang District (南長區) and alongside the 2,500-year-old ancient canal. They offer a total attributable GFA of 7.0 million square feet. Two parcels are wholly owned by the Group (GFA: 5.2 million square feet) and the third (GFA: 3.5 million square feet) is being developed with Shanghai Forte on a 50:50 basis. These commercial and residential developments are scheduled for completion in phases by 2014 to 2015.

Meanwhile the Group's listed subsidiary, HCDL, is developing four prime sites in the cities of Shanghai, Suzhou, and Changzhou.

In Shanghai, the Xinjiangwancheng (新江灣城) development boasts a site area of 0.6 million square feet and GFA of 1.08 million square feet. Xinjiangwancheng provides the only original ecological environment in association with abundant green and wetlands within the city of Shanghai, and is established to accommodate the concept of high quality living community. The development, close to Wujiaochang (五角場), a commercial centre which has been positioned as one of the four vice city centres of Shanghai (上海市副中心), consists of high end medium-rise residences. It is adjacent to a station of the Shanghai Metro line 10 which is expected to be in operation within this

year. Two other Metro lines (Line 17 & 18) near the site are also under planning. Scheduled for completion by 2012, construction of the project is underway with foundations being completed. The first phase of presales is targeted to be launched in the middle of this year.

The two Suzhou projects are developed by a joint venture owned 80:20 respectively by HCDL and Genway Housing Development. Together, they embrace a total site area of 5.65 million square feet and offer an attributable GFA of 13.5 million square feet.

The first project is located in Xinghu Jie (星湖街) in the new CBD. A 450-metre skyscraper landmark (mixed office, hotel and apartment building), tallest in Jiangsu Province with a panoramic view over Jinji Lake and the city skyline, will be built. Underground connections will provide seamless access to two nearby subway stations. The project will also benefit from well-established regional transportation networks comprising highly efficient highways and rapid trains connecting with Shanghai, Hangzhou and Nanjing. A ground breaking ceremony was held in early March and excavation works have commenced. The project is scheduled for completion by 2016.

The second project is located at Xiandai Da Dao (現代大道) in Suzhou Industrial Park (蘇州工業園區). There will be sizeable residential developments to cater to the solid and steady demand for residential properties in the Park, where master town planning is of international standard. The site, perfectly located on the axis of eastern expansion of Suzhou along the main east-west thoroughfare of Xiandai Da Dao, and next to the future subway terminal, is divided into four plots, each of which will be developed by phases into high-end residential developments. Construction work for the



No. 1 Xin Hua Road, Shanghai

first phase commenced in March, 2010 and the whole development is scheduled for completion by 2017.

The Changzhou project is ideally located in the future CBD of Xinbei District (新北區), five kilometers away from the city centre, in the vicinity of the national AAAA scenic area China Changzhou Dinosaur Land theme park (中華恐龍園) and Xin Qu Park (新區公園), with excellent air-sea transportation links to Changzhou Airport and Huning Express Railway. The project commands a total site area of 4.4 million square feet and offers an attributable GFA of 8.7 million square feet. The development comprises mainly high-end residences including high-rise buildings, semi-detached houses and villas, a 5-star hotel and a State Guest House. Construction works for the residential developments have commenced. The whole project is scheduled for completion in phases by 2016, with the first phase of presales launched in March.

New Acquisition

The Group has its second project for residential development in Hangzhou further to the newly acquired land parcel in November 2009. It comprises two sites located at Gongshu District (拱墅區), a traditional residential district with well-developed living facilities, and near the historical Gongchen Bridge (拱宸橋) and Beijing-Hangzhou Grand Canal (京杭大運河) of Hangzhou. These sites boast a site area of 914,000 square feet and offer a GFA of 2.4 million square feet. Construction work is expected to commence in the first quarter of 2011. The whole development is scheduled for completion by 2014.

Other regions

Dalian Times Square, a luxury shopping landmark in the very heart of the city, houses a host of top international brands including Louis Vuitton, Gucci, Hermès, Dior, Prada, Ermenegildo Zegna, Fendi and Giorgio Armani etc. Since opening in late 2008, it has achieved remarkable performance and added further impetus to profit growth for the Group's property investment in China.

Property Development

Phased completion enabled pre-sales commitments for Dalian Times Square in Dalian to be booked. Dalian Times Square has successfully sold/pre-sold 87% of its two residential towers (Dalian Times No. 1 & 8). The latter was launched in March 2009. Both towers were completed and the related property sales profits were recognised in 2009.

In Wuhan, the four residential towers and the office-apartment towers at Wuhan Times Square have been 98% and 53% sold respectively.

New Acquisition

The Group, since September 2009, has acquired two prime sites in Tianjin. The first site in Tianjin was acquired and developed by the Group and China Merchants Property on a 50:50 basis. It is ideally located atop the Jing Jiang Lu (靖江路) Mass Transit Railway ("MTR") station, and just outside the mid-ring road of the Tianjin city, within the He Dong Qu (河東區). He Dong Qu is a district which connects the old districts and Bin Hai Xin Qu (濱海新區). The Jing Jiang Lu (靖江路) MTR station is the inter-change for MTR Route 2 and Route 5. The former route is under construction and is expected to complete by the end of 2010. The latter route is expected to commence construction early next year and to complete by 2014. Other than the MTR routes, the site enjoys the convenient traffic of the Wei Guo Dao (衛國道), a major fast road, West Express Way (西縱快速路) and Central Ring Road (中環線). With a site area of 512,000 square feet and GFA of 1.3 million square feet (attributable GFA: 0.65 million square feet), the development will comprise high-end

residential and commercial properties. Construction is expected to commence within this year and completion is expected to take place in 2014.

Another site in Tianjin was acquired by the Group and China Overseas Group in January 2010 on a 50:50 basis. The site is located atop the Tie Dong Lu (鐵東路) MTR station and at the North Eastern side of Tianjin city centre, just outside the mid-ring road. It is located in He Bei Qu (河北區), one of the six urban districts of Tianjin. The Tie Dong Lu (鐵東路) MTR station is on Tianjin MTR Route 3, which is under construction and scheduled to be in operation in 2011. In addition to the MTR, transportation is very convenient with the major main roads such as Zhi Cheng Lu (志成路), fast road, and Tie Dong Lu (鐵東路), part of mid-ring road, being nearby. The site area is 1.6 million square feet developable into 5.3 million square feet (attributable GFA: 2.63 million square feet), of which 75% is for residential purpose and the rest for commercial use. Construction is expected to commence in 2010 and completion is expected to take place in 2015.



Dalian Times Square



Wuhan Times Square

China Properties List

	Project Nature					Attributable GFA (sq ft)	Status			Effective % Owned
	retail	office	residential	hotel	serviced apartment		Completed	under construction	under planning	
Western China - Chengdu										
Shuangliu Development Zone										
Shuangliu Development Zone Chengdu Times Outlet	•	•	•			9,127,000			•	100
	•					680,000	•			100
Chengdu IFC	•	•	•	•		4,724,000		•		100
Tian Fu Times Square	•	•	•			4,156,000*		•		100
Chengdu Shahe Project	•	•	•	•		4,046,000 (30%) **			•	30
Crystal Park	•		•			3,807,000*		•		100
Chuan Mian Project #			•			3,500,000			•	100
Chengdu Jinjiang District Yixinqiao St Project	•		•			639,000			•	100
Western China - Chongqing										
The CBD International Community Project	•		•			7,908,000* (40%) **		•		40
Jiangbei City Project, Zone A & C			•			7,166,000 (50%) **			•	50
Jiangbei City Project, Zone B			•			2,524,000 (55%) **			•	39
Chongqing Times Square	•	•				591,800	•			100
Eastern China - Changzhou										
Changzhou Dinosaur Park Project			•	•		8,590,000			•	70
Eastern China - Hangzhou										
Hangzhou Hangyimin Lot C/D			•			2,422,000			•	100
Hangzhou Zhuantang Town Project	•		•			2,004,000 (50%) **		•		50
Eastern China - Shanghai										
Wheelock Square	•	•				1,228,000		•		98
Shanghai Xinjiangwancheng			•			1,074,000		•		70
Shanghai Times Square	•	•			•	973,000	•			100
Jingan Garden			•			763,000			•	55
No.1 Xin Hua Road			•			200,000*		•		85
Eastern China - Suzhou										
Suzhou Industrial Park										
Xiandai Da Dao			•			9,765,000			•	56
Suzhou Super Tower		•	•			3,780,000			•	56
Lot No. 68210 Suzhou Industrial Park			•			2,123,000			•	100
Suzhou Wei Ting Project, Suzhou Industrial Park			•			908,000 (50%) **			•	50
Eastern China - Wuxi										
Wuxi Taihu Plaza Project										
Taihu Plaza, Nanchang District, Wuxi			•			8,949,000*		•		100
Wuxi Super Tower		•	•	•		3,013,000		•		100
Wuxi Old Canal Lot 72		•	•			2,670,000			•	100
Wuxi Old Canal Lot 71			•			2,551,000			•	100
Wuxi Old Canal Lot 73			•			1,760,000 (50%) **			•	50
Other Regions										
Tianjin Tie Dong Lu #			•			2,630,000 (50%) **			•	50
Tianjin Jin Jiang Lu Project	•		•			646,900 (50%) **			•	50
Dalian Times Square	•		•			518,000	•			100
Wuhan Times Square Tower 2	•			•		413,000	•			100
Wuhan Times Square Tower 1, 3, 4, 8 & 9			•			177,000	•			100

For details of completion date of above properties, please refer to Schedule of Principal Properties on pages 148 to 153

* Partly pre-sold

** Being attributable percentage held through jointly controlled entities/associates and the respective GFA are shown on an attributable basis

Land sites acquired subsequent to 2009