



### roperty and Hotels

The Group's property activities comprise an investment portfolio of approximately 15.5 million square feet of office, commercial, industrial and residential premises that provide steady, recurrent rental income. This division also includes interests in joint ventures for the development of high quality, mainly residential projects, primarily in the Mainland and selectively overseas. In addition, the Group has ownership interests in a portfolio of 12 premium quality hotels.

- Total revenue increased 10% to HK\$10,467 million.
- EBIT rose to HK\$8,087 million, a 99% increase over last year.
- Gross rental income grew 12% to HK\$3,399 million.

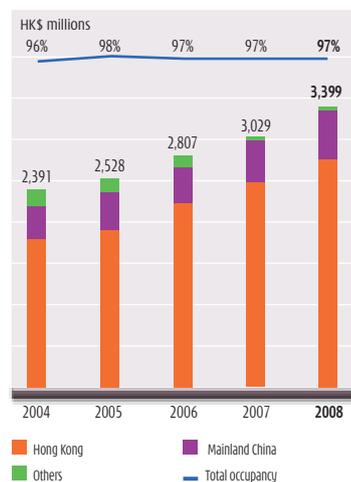


## Operations Review – Property and Hotels

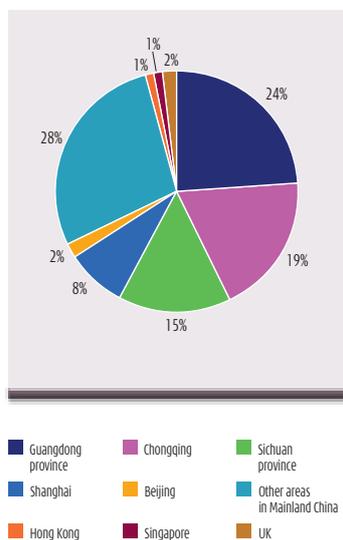
Total revenue of the property and hotels division for 2008 was HK\$10,467 million, an increase of 10%, and EBIT was HK\$8,087 million, 99% above 2007. This division contributed 4% and 15% respectively to the total revenue and EBIT from the Group's established businesses. The EBIT of this division in 2008 included a profit before taxation of HK\$2,141 million arising from the disposal of an investment property. In addition to the EBIT above, the Group recorded in the first half of the year a gain on the change in fair value of investment properties of HK\$824 million (2007 – HK\$1,995 million).

	2008 HK\$ millions	2007 HK\$ millions	Change
Total Revenue	10,467	9,551	+10%
EBIT	8,087	4,060	+99%

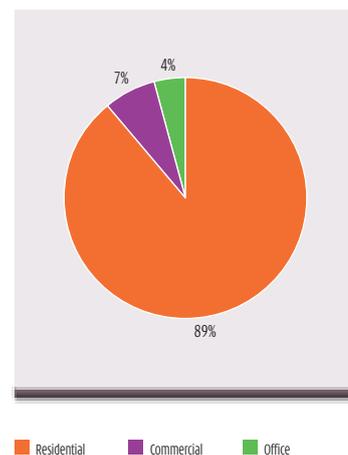
Total Gross Rental Income by Geographical Location and Occupancy Rate



Gross Floor Area of Development Projects by Geographical Location



Gross Floor Area of Development Projects by Property Types





- Defining a new concept of luxury apartments, Caribbean Coast in Hong Kong is surrounded by natural scenery and possesses an enchanting seaview.

## Hong Kong

### Major rental properties in Hong Kong

Name	Property Type	Total Gross Floor Area for Rent (thousand sq ft)	Group's Interest	Leased
Cheung Kong Center	Office	1,263	100%	99%
Harbourfront Office Towers I and II	Office	863	100%	94%
Hutchison House	Office	504	100%	99%
Aon China Building	Office	259	100%	96%
Whampoa Garden	Commercial	1,714	100%	100%
Aberdeen Centre	Commercial	345	100%	99%
Hutchison Logistics Centre	Industrial	4,705	88%	100%

The Group's portfolio of rental properties in Hong Kong, comprising approximately 12.6 million square feet (2007 - 12.7 million square feet) of office (27%), commercial (23%), industrial (49%) and residential (1%) properties, continues to provide a steady flow of recurrent income. Gross rental income of HK\$2,757 million, including

the Group's share of associated companies' and jointly controlled entities' rental income, was 11% above last year, reflecting higher lease renewal rates in 2008. All of the Group's premises remain substantially let.

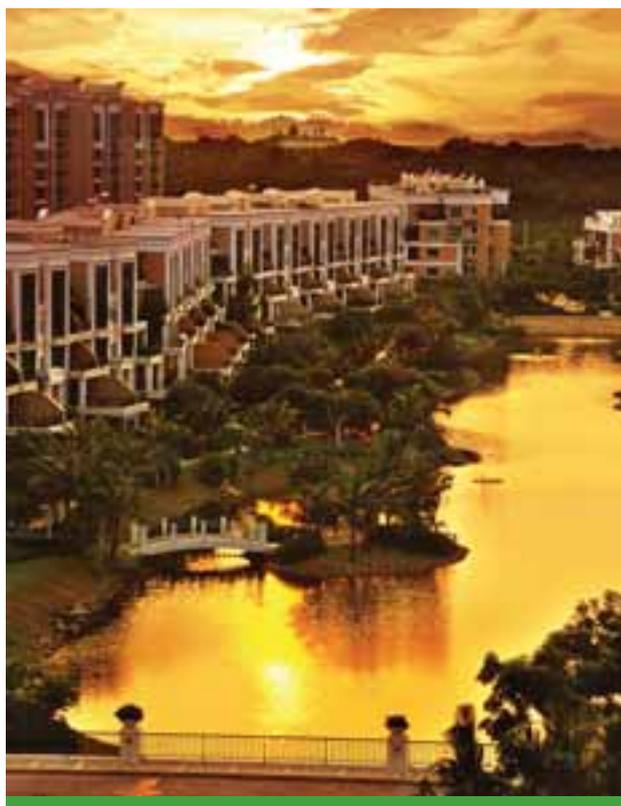
## Operations Review – Property and Hotels

### The Mainland and Overseas

#### Major rental properties in the Mainland

Name	Location	Property Type	Total Gross Floor Area for Rent (thousand sq ft)	Group's Interest	Leased
Oriental Plaza	Beijing	Office, serviced apartments & commercial	5,553	18%	89%
Metropolitan Plaza	Chongqing	Office & commercial	1,512	50%	97%
Seasons Villas	Shanghai	Residential	1,151	50%	74%
Westgate Mall & Tower	Shanghai	Office & commercial	1,099	30%	98%

The Group's various joint ventures in the Mainland and overseas hold a portfolio of investment properties totalling 9.6 million square feet, of which the Group's share is 2.9 million square feet (2007 - 2.8 million square feet). The Group's share of gross rental income of HK\$642 million was 16% above last year.



● Nestled in Tangjiawan, Zhuhai, Horizon Cove enjoys both a splendid seaview and lush greenery.

### Property Sales and Properties under Development

During the year, profits were recorded primarily from the sale of units in joint venture residential development projects in the Mainland, mainly at the Maison des Artistes and Regency Park developments in Shanghai. The profit in 2008 was 307% higher than 2007 due to higher sales activities.

In 2008, the Group increased its landbank in the Mainland and Singapore by entering into joint ventures to develop primarily residential property with a total developed gross floor area of approximately 13 million square feet, of which the Group's share is six million square feet. Including these recent additions, the Group's current attributable landbank (including interest held directly and its share of interests held by joint ventures, associates and jointly-controlled entities) totals approximately 103 million square feet, of which 96% is in the Mainland, 3% in the UK and overseas, and 1% in Hong Kong. This landbank comprises 45 projects in 20 different cities and is expected to be developed in a phased manner over several years to provide satisfactory returns and development profits to the Group. In 2009, the division will focus primarily on the orderly development of its existing landbank in the Mainland market, which is starting to show signs of stabilisation.

## Hong Kong

### Major Hong Kong properties under development

Name	Location	Property Type	Total Gross Floor Area (thousand sq ft)	Group's Interest	Expected Completion Date
Hung Shui Kiu	Yuen Long	Residential	537	50%	2010



- Beverly Hills is a luxurious villa compound in Chongqing, featuring a North American design.

Caribbean Coast Phase V was completed during 2008. Planning for a residential development in Hung Shui Kiu continues to progress, with completion scheduled for 2010.

## The Mainland

### Major properties in the Mainland under development

Name	Location	Property Type	Total Gross Floor Area (thousand sq ft)	Group's Interest	Expected Completion Date
The Riverside and Metropolitan Plaza	Guangzhou	Residential & commercial	2,603	50%	2009
Metropolitan	Tianjin	Residential & commercial	2,742	40%	2010
Huaqiangbei	Shenzhen	Residential & commercial	1,933	40%	2010
Regency Park	Shenzhen	Residential	1,696	50%	2010
Regency Park	Shanghai	Residential, commercial & hotel	241	50%	2010
Le Sommet	Shenzhen	Residential & commercial	3,131	50%	2011
Noble Hills, Guanlan	Shenzhen	Residential & commercial	1,562	50%	2011
Regency Residence	Changchun	Residential & commercial	2,941	50%	2011
Century Avenue	Shanghai	Commercial & hotel	2,351	25%	2011
Lujiazui	Shanghai	Commercial	861	50%	2011

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### The Mainland (continued)

#### Major properties in the Mainland under development (continued)

Name	Location	Property Type	Total Gross Floor Area (thousand sq ft)	Group's Interest	Expected Completion Date
Xin Zha Road	Shanghai	Commercial	623	30%	2011
Maqiao	Shanghai	Residential	477	43%	2011
Shisanling	Beijing	Residential	861	50%	2011
The Greenwich	Xian	Residential & commercial	11,315	50%	2012
Noble Hills	Changsha	Residential & commercial	6,989	50%	2012
Regency Oasis	Chengdu	Residential & commercial	5,276	50%	2012
Noble Hills	Chongqing	Residential & commercial	4,418	50%	2012
Cape Coral, Nanan	Chongqing	Residential & commercial	4,079	48%	2012
Regency Park	Changchun	Residential & commercial	4,315	50%	2012
Zhoupu	Shanghai	Residential & commercial	3,653	43%	2012
Cape Coral, Panyu Dashi	Guangzhou	Residential & commercial	3,475	50%	2012
The Greenwich	Beijing	Residential	2,575	50%	2012
Tianning	Changzhou	Residential	2,394	50%	2012
International Toys and Gifts Center	Guangzhou	Commercial	1,844	30%	2012
Zengcheng	Guangzhou	Residential & commercial	3,573	50%	2013
Jinkeng Village, Luogang District	Guangzhou	Residential & commercial	2,496	40%	2013
Daya Bay, Aotou	Huizhou	Residential	2,570	50%	2013
Laopu Pian	Wuhan	Residential & commercial	1,729	50%	2013
Hualou Jie	Wuhan	Residential & commercial	3,947	50%	2014
Le Parc	Chengdu	Residential & commercial	25,624	50%	2015
Laguna Verona	Dongguan	Residential & commercial	18,909	50%	2015
Caidian	Wuhan	Residential, commercial & hotel	16,134	50%	2016
Putuo	Shanghai	Residential, commercial & hotel	7,750	38%	2016
Qiao Island	Zhuhai	Residential	2,540	50%	2016
Xiao Gang Wan	Qingdao	Residential & commercial	9,900	45%	2017
Yin Hu Wan	Jiangmen	Residential, commercial & hotel	4,518	45%	2017
Yangjiashan	Chongqing	Residential & commercial	33,258	48%	2021

In the Mainland, the Maison des Artistes development and Phase 7 of the Regency Park development in Shanghai, Phase II of The Riverside development in Guangzhou, and Phase IV of the Horizon Cove project in Zhuhai were completed during the year. Despite the relatively slower market, 66% of the residential units in Phases 3C and 3D of

Maison des Artistes have already been sold. Pre-sale activities for Phase IA of Chongqing Cape Coral, Phase I of Shenzhen Le Sommet and Phase IB of Xian The Greenwich have commenced with 47%, 29% and 70% of the units presold respectively. The other properties under development in the Mainland are progressing satisfactorily.

## Overseas

### Major overseas properties under development

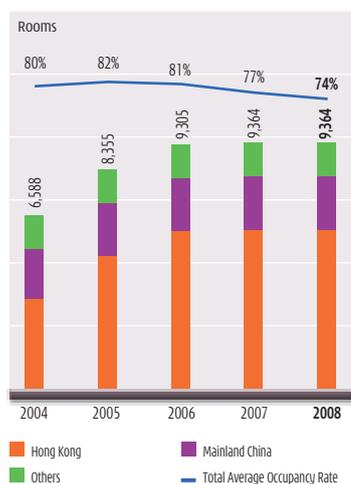
Name	Location	Property Type	Total Gross Floor Area (thousand sq ft)	Group's Interest	Completion Date
<b>Singapore</b>					
Marina Bay	Singapore	Residential & commercial	4,715	17%	2012
West Coast Crescent	Singapore	Residential	362	50%	2013
<b>UK</b>					
Lots Road and Chelsea Harbour	London	Residential & commercial	849	48%	2013
Convoys Wharf	London	Residential & commercial	3,334	50%	2018

The properties development projects in Singapore and the UK are progressing satisfactorily.

## Hotels

The Group has ownership interests in 12 hotels in Hong Kong, the Mainland and the Bahamas, of which eight are managed through its 50% owned hotel management joint venture. In 2008, the hotels division recorded a reduction in revenue and EBIT of 3% and 8% respectively compared to 2007, due primarily to lower results from The Westin and Sheraton at Our Lucaya in the Bahamas which continues to be directly affected by the economic recession in the US.

Average Actual Room Inventory by Geographical Location and Occupancy Rate



● Grand Hyatt Beijing Hotel features a 55-metre resort-style indoor swimming pool with a virtual sky.