

Property and Hotels

The Group's property activities comprise an investment portfolio of approximately 14.9 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.



Shenzhen Regency Park, China

- Total revenue increased 33% to HK\$13,912 million in 2009.
- The Group's portfolio of rental properties in Hong Kong continues to provide a steady flow of recurrent income.
- All of the Group's premises remain substantially let.

Operations Review – Property and Hotels

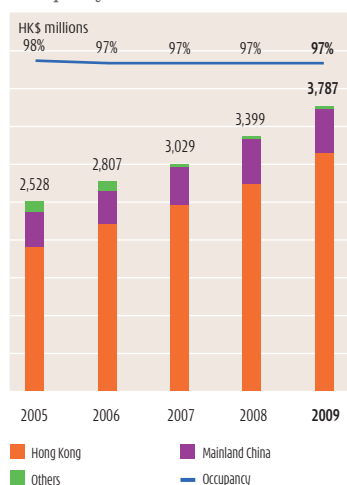
Total revenue of the property and hotels division increased 33% to HK\$13,912 million in 2009, but EBIT declined 20% to HK\$6,430 million. This division contributed 6% and 17% respectively to the total revenue and EBIT of the Group's established businesses. The EBIT of this division in 2008 included a profit before taxation of HK\$2,141 million arising from the disposal of an investment property. Excluding this gain on disposal, EBIT of the property and hotels division increased 8% in 2009. In addition to the EBIT above, the Group recorded a HK\$1,663 million (2008 – HK\$824 million) gain in fair value of investment properties, of which HK\$1,265 million relates to investment properties under development and HK\$398 million relates to completed investment properties.

	2009 HK\$ millions	2008 HK\$ millions	Change
Total Revenue	13,912	10,467	+33%
EBIT	6,430	8,087	-20%

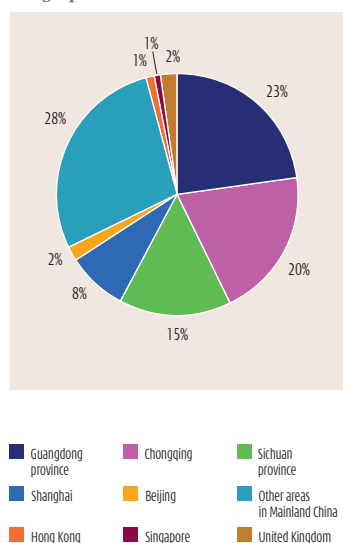


■ Situated in the heart of Hong Kong, Cheung Kong Center is the address of many major multinational corporations.

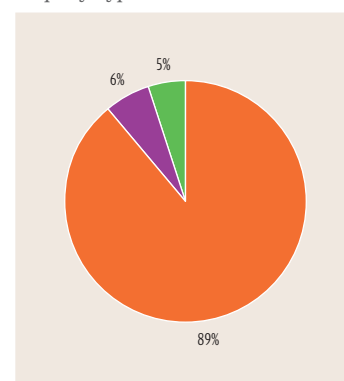
Total Gross Rental Income by Geographical Location and Occupancy



Gross Floor Area of Development Projects by Geographical Location



Gross Floor Area of Development Projects by Property Types



Rental Properties

Hong Kong

Major rental properties in Hong Kong

Name	Property Type	Total Gross Floor Area for Rent (thousand sq ft)	Economic Net Interest	Leased
Cheung Kong Center	Office	1,263	100%	97%
Harbourfront Office Towers I and II	Office	863	100%	96%
Hutchison House	Office	504	100%	97%
Aon China Building	Office	259	100%	97%
Whampoa Garden	Commercial	1,714	100%	99%
Aberdeen Centre	Commercial	345	100%	100%
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 (2008 - 12.6 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\$3,180 million, including

the Group's share of associated companies' and jointly controlled entities' rental income, was 15% above last year, reflecting higher lease renewal rates in 2009. 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)	Economic Net Interest	Leased
Oriental Plaza	Beijing	Office, serviced apartments & commercial	5,553	18%	88%
Metropolitan Plaza	Chongqing	Office & commercial	1,512	50%	95%
Westgate Mall & Tower	Shanghai	Office & commercial	1,099	30%	96%

The Group's various joint ventures in the Mainland and overseas hold a portfolio of investment properties totalling 8.5 million square feet, of which the Group's share is 2.3 million square feet (2008 - 2.9 million square feet). The Group's share of gross rental income of HK\$607 million was 5% below last year, mainly due to the renovation of the Seasons Villas residential development in Shanghai and the subsequent sale of Phase 1A during 2009.

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, Regency Park and Seasons Villas developments in Shanghai, the Regency Park projects in Shenzhen and

Changchun, as well as the Chengdu Le Parc development. As a result of higher sales activities, development profits increased 50% in 2009.

The Group did not increase its landbank during 2009 and its current attributable landbank (including interests held directly and its share of interests held by joint ventures, associates and jointly controlled entities) is approximately 94 million square feet, of which 96% is in the Mainland, 3% in the United Kingdom and overseas, and 1% in Hong Kong. This landbank comprises 45 projects in 20 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 2010, the division will continue to focus primarily on the orderly development and sale of its existing landbank projects in the Mainland, Hong Kong, Singapore and the UK markets.



Commanding a premier location in Pudong, Shanghai Regency Park is a development comprising luxurious villas and semi-detached houses, accompanied by a prestigious clubhouse.

Hong Kong

Major properties in Hong Kong under development

Name	Location	Property Type	Total Gross Floor Area	Economic Net Interest	Expected Completion Date
(thousand sq ft)					
Hung Shui Kiu	Yuen Long	Residential	537	50%	2011
Knightsbridge Court	The Peak	Residential	29	100%	2011

The Mainland

With the upturn in the property market, the Group has substantially sold all of the remaining residential and commercial units in Maison des Artistes and Regency Park in Shanghai. Phase 1A of Seasons Villas was renovated and sold during the year. In 2009, the Group also completed a number of joint venture residential development projects in the Mainland, mainly Phases 1 and 2 of Regency Park and Phase 1A of Le Sommet in Shenzhen, Phase 1 of Regency Park and Regency Residence in Changchun, Phases 1A and 1B of Le Parc in Chengdu, Phase 1 of Cape Coral in Chongqing and Phase 1 of The Greenwich in Xian. All of these development projects have generated satisfactory returns to the Group. Pre-sale activities for Phase 2A of Le Parc in Chengdu, Phase 3 of The Riverside in Guangzhou and Phases 1B and 2A of The Greenwich in Xian have commenced with 81%, 57% and 67% of the units presold respectively. The other properties under development in the Mainland are progressing satisfactorily.



Close to the Changchun Jinguoan Tourism Development Zone, Changchun Regency Park is a large-scale, high-end residential project with a total gross floor area of over 3.7 million square feet.

Major properties in the Mainland under development

Name	Location	Property Type	Total Gross Floor Area	Economic Net Interest	Expected Completion Date
(thousand sq ft)					
The Riverside and Metropolitan Plaza	Guangzhou	Residential & commercial	2,603	50%	2010
Century Place	Shenzhen	Residential & commercial	1,933	40%	2010
Regency Park	Shenzhen	Residential	649	50%	2010
Regency Cove	Shanghai	Residential	477	43%	2010
Regency Park	Shanghai	Residential & commercial	107	50%	2010
Metropolitan	Tianjin	Residential & commercial	2,741	40%	2011
The Greenwich	Beijing	Residential	2,575	50%	2011
Le Sommet	Shenzhen	Residential & commercial	2,515	50%	2011
Noble Hills, Guanlan	Shenzhen	Residential & commercial	1,586	50%	2011
Regency Residence	Changchun	Residential & commercial	1,935	50%	2011

Operations Review – Property and Hotels

The Mainland (continued)

Major properties in the Mainland under development (continued)

Name	Location	Property Type	Total Gross Floor Area	Economic Net Interest	Expected Completion Date
(thousand sq ft)					
The Greenwich	Xian	Residential & commercial	10,049	50%	2012
Noble Hills	Chongqing	Residential	4,296	50%	2012
Cape Coral, Nanan	Chongqing	Residential & commercial	1,649	48%	2012
Regency Park	Changchun	Residential & commercial	3,747	50%	2012
Zengcheng	Guangzhou	Residential & commercial	3,573	50%	2012
Lujiazui	Shanghai	Commercial	861	50%	2012
Xin Zha Road	Shanghai	Commercial	623	30%	2012
Regency Oasis	Chengdu	Residential & commercial	5,280	50%	2013
Zhoupu	Shanghai	Residential & commercial	3,663	43%	2013
Jiading	Shanghai	Residential & commercial	3,551	50%	2013
Century Link	Shanghai	Commercial	2,351	25%	2013
Cape Coral, Panyu Dashi	Guangzhou	Residential & commercial	3,475	50%	2013
Yuhu Mingdi	Guangzhou	Residential & commercial	2,496	40%	2013
Tianning	Changzhou	Residential	2,375	50%	2013
Laopu Pian	Wuhan	Residential & commercial	1,757	50%	2013
Shisanling	Beijing	Residential	861	50%	2013
Noble Hills	Changsha	Residential & commercial	6,683	50%	2014
Daya Bay, Aotou	Huizhou	Residential	2,585	50%	2014
Qiao Island	Zhuhai	Residential	2,540	50%	2014
Hualou Jie	Wuhan	Residential & commercial	3,947	50%	2015
International Toys and Gifts Center	Guangzhou	Commercial	1,844	30%	2015
Le Parc	Chengdu	Residential & commercial	23,353	50%	2016
Caidian	Wuhan	Residential, commercial & hotel	11,587	50%	2016
Xiao Gang Wan	Qingdao	Residential & commercial	9,900	45%	2016
Yin Hu Wan	Jiangmen	Residential, commercial & hotel	4,535	45%	2017
Putuo	Shanghai	Residential, commercial & hotel	7,750	38%	2018
Laguna Verona	Dongguan	Residential & commercial	15,159	50%	2019
Yangjiashan	Chongqing	Residential & commercial	33,250	48%	2021

Overseas

Major overseas properties under development

Name	Location	Property Type	Total Gross Floor Area	Economic Net Interest	Expected Completion Date
(thousand sq ft)					
Singapore					
The Vision	Singapore	Residential	362	50%	2013
Marina Bay	Singapore	Residential & commercial	4,673	17%	2014
United Kingdom					
Lots Road and Chelsea Harbour	London	Residential & commercial	849 (Note)	48%	2016
Convoys Wharf	London	Residential & commercial	3,105 (Note)	50%	2019

Note: Total net floor area

The development projects in Singapore and the United Kingdom continue to progress 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 2009, the hotels division recorded a reduction in total revenue and EBIT of 26% and 55% respectively compared to 2008, primarily due to the significant adverse impact of swine flu and the global economic downturn.



Harbour Grand Hong Kong opens its doors to customers on 1 June 2009. All hotel guestrooms and serviced suites offer spectacular views overlooking the Victoria Harbour.

Average Actual Room Inventory by Geographical Location and Average Occupancy

