



Offering the Community

ONE Access to Quality Living

Leveraging on our world-renowned "Rail and Property" model,
we continue with our mission of providing refreshing
and original property design, planning and management



Executive Management's Report

Property and Other Businesses



Area 86 at Tseung Kwan O was named LOHAS (Lifestyles of Health and Sustainability) Park

Our property business performed well in 2007 against a background of broad based growth in the Hong Kong property market. Expanding demand and limited supply meant that the office market enjoyed low vacancy rates and high rentals, while the strong retail market was driven by consumer and tourist spending. The total transaction volume and value in the “first hand” private residential market increased by 37% and 106% respectively as compared to 2006.

Profit from property development was HK\$8,304 million in 2007, while revenue from property rental, management and other businesses grew 24.3% to HK\$1,834 million. Although it has

no impact on our overall business, the strong office and retail markets resulted in revaluation gains of HK\$8,011 million for our rental portfolio in 2007 (HK\$6,609 million after deferred tax).

Property Development

Profit for the year from property development increased to HK\$8,304 million. The bulk of this profit was derived from surplus proceeds of HK\$7,077 million from developments along the Airport Express and Tseung Kwan O Line, particularly Le Point at Tiu Keng Leng Station and to a lesser extent Harbour Green at Olympic Station. Deferred income recognition of

HK\$1,224 million also contributed to profitability with profit recognition mainly from fit-out works at the newly opened Elements shopping centre in Kowloon Station, and at Coastal Skyline and Caribbean Coast in Tung Chung.

Pre-sale commenced at Crystal Cove in Tung Chung and was well received. Sales were re-launched at the Harbourside, Harbour Green, La Rossa of Coastal Skyline and Le Point to good response, whilst Occupation Permits were obtained for Phase One of International Commerce Centre, the two towers of The Cullinan at Kowloon Station, Phase 2 of Elements, Le Point at Tiu Keng Leng Station, and the last phase of the development in Coastal Skyline in Tung Chung.

In February 2007, the tender for Area 56 in Tseung Kwan O town centre was awarded to Lansmart Limited, a subsidiary of Sun Hung Kai Properties Limited, with plans to develop a hotel, residential, office and retail complex. In November, a subsidiary of Cheung Kong (Holdings) Limited, Wealth Pine Investment Limited, was awarded Package Three of LOHAS Park, a residential development of up to 1,648 units. A re-branding exercise was launched for Area 86, which was named LOHAS (Lifestyles of Health and Sustainability) Park in line with our commitment to the long term wellbeing of the communities we foster.

Following approval by the Town Planning Board, the land application procedure began for conversion of part of the lorry park and transport interchange adjacent to Tsing Yi Station to commercial use. With the Government's decision to proceed with preliminary planning and design for the South Island Line (East), the Company has procured consultancy to prepare the preliminary development scheme design for potential sites along this new line.

As part of the Rail Merger, the Company acquired a property package that comprised property development rights, investment properties and property management rights. The property development rights acquired comprise eight sites totalling 1.2 million square metres GFA of which three, namely Ho Tung Lau, Wu Kai Sha and Tai Wai Maintenance Centre, have already been tendered with the remaining five, totalling 0.6 million square metres GFA, yet to be tendered.

In early March 2008, we have invited expression of interest for Che Kung Temple site with a view to inviting tender in 2008.

Property Development

HK\$8.3 Billion

Property Development Profit

**8 Sites Totalling
1.2 Million sq.m. GFA**

Acquired in Rail Merger

**2 Property Tenders
Awarded**

with a Total GFA of 292,674 sq.m.

Property Rental

25.2% Increase

in Rental Income

Phase 1 of Elements

Opened on 1 October 2007

252,339 sq.m.

of Investment Properties in Hong Kong

Property Management Portfolio at End of 2007

71,851

HK Residential Units

756,556 sq.m.

of HK Commercial Properties

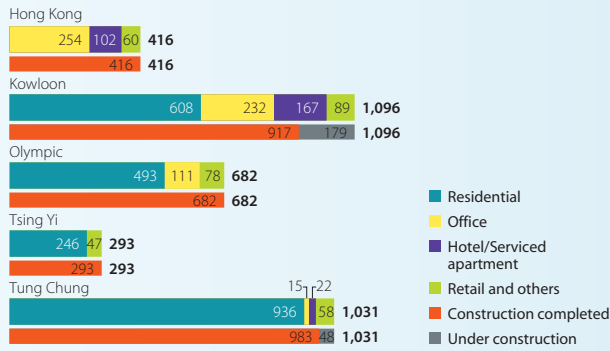
820,254 sq.m.

of Management Contracts in Mainland China

Airport Railway Property Development Plan and Progress

Phase One of International Commerce Centre and the two towers of the Cullinan at Kowloon Station were major projects completed in 2007.

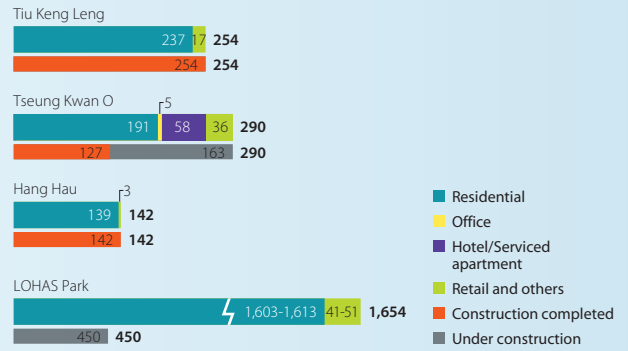
Gross floor area *Thousand sq. m.*



Tseung Kwan O Line Property Development Plan and Progress

The completion of Le Point contributed to the bulk of the property development profit in 2007.

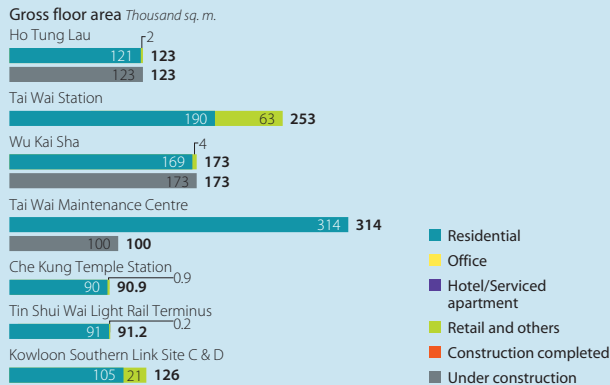
Gross floor area *Thousand sq. m.*



Elements shopping mall opened in October and quickly became 'talk-of-the-town'

East Rail Line, Ma On Shan Line, Kowloon Southern Link and Light Rail Property Development Plan and Progress

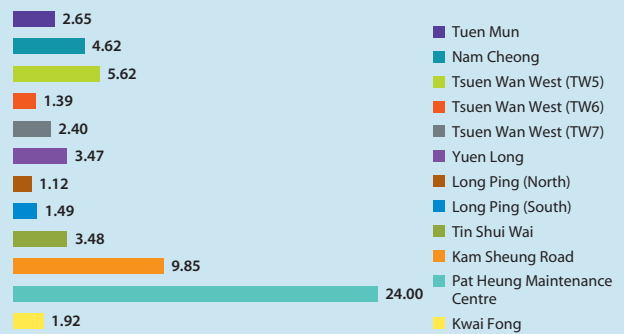
8 sites with a total GFA of 1.2 million sq.m. were acquired as part of the Rail Merger.



West Rail Property Development Plan

The Company acts as development agent for the West Rail property projects.

Site Area (in Hectare)



In addition, with the Rail Merger, the Company took on KCRC's role as development agent for Government in respect of a number of West Rail property projects, which have an estimated total gross floor area of 2.3 million square metres, for which the Company will receive a fee.

Property Rental, Management and Other Businesses

Revenue from our property rental, management and other businesses, benefiting from rental rate increases and further additions to the rental portfolio, increased by 24.3% to HK\$1,834 million as compared to 2006.

Property Rental

Property rental income rose by 25.2% over last year to HK\$1,581 million (a 23.5% increase to HK\$1,560 million excluding the Rail Merger effect from 2 December to the end of 2007), driven by positive rental renewals and new lettings, contributions from the opening of Phase 1 of Elements and Ginza Mall in Beijing as well as the approximate one month of contributions from rental properties acquired in the Rail Merger.

Our commitment to the continuous enhancement of our shopping centres and other investment properties, as well as our focus on providing "Premier" management services enabled



Shopping at our centres is exciting and pleasurable

us to capitalise on Hong Kong's strong consumer sentiment, improving job market and robust growth in visitor arrivals and overall tourism. The average rise in rental reversions for renewal of leases and re-letting was 21.7% in 2007 as compared to rentals achieved in the previous lettings.



Our "Premier" management services enabled us to capitalise on Hong Kong's strong consumer sentiment

Rising demand from retailers for high quality retail space increased rents for prime locations and enabled the Company to maintain 100% occupancy at all pre-Merger MTR Corporation shopping centres, except for retail spaces at Luk Yeung Galleria repossessed for renovation. The five KCRC shopping centres that we acquired had an average occupancy of 91%.

Elements Phase 1 with lettable floor area of 39,210 square metres, which opened on 1 October 2007, was very well received by the public and continued to be "talk-of-the-town", attracting local shoppers and tourists. Planned according to the Chinese five elements, large-scale artistic sculptures also brought a unique and exciting shopping experience to visitors. Many brands and services that are new to Hong Kong opened their flagship stores at Elements and the project received the MIPIM Marché International des Professionnels d'Immobilier

Asia 2007 award for the best shopping centre. New up-market tenants at Elements included Mikimoto, Cartier, Mulberry, Versace, Escada, Lanvin, Luella, Karen Millen, Onitsuka Tiger, Gucci, Dunhill, Kate Spade, Cerruti 1881, MontBlanc, Tiffany & Co., Megu, H&M and ZARA. Renovations were also completed in November 2007 at Luk Yeung Galleria, increasing the shopping centre's competitiveness and product offerings.

In the Mainland of China, following refurbishment and re-branding, Ginza Mall in Beijing opened in January and by the end of December was 95% let. This mall marked the first step in applying our experience and know-how of operating shopping centres to the Mainland. Ginza Mall introduced a number of new retailers to the Beijing market such as Ole Supermarket, Very, Bunka, I.S.O., Chitose and Think Pink.

Distinctive promotional programmes to raise the profile of MTR shopping centres continued throughout the year, further strengthening their competitiveness. Promotions included the "Elements Club", a television commercial campaign for Elements, an Octopus Rewards Scheme, an Astro Boy Campaign, a Terra Cotta Museum and the first Disney-Pixar themed Christmas Promotion Campaign for Telford Plaza, Maritime Square, Luk Yeung Galleria, Paradise Mall, The Lane, The Edge, Citylink Plaza and Ocean Walk.

Supported by strong demand for prime office space in Central and our "Premier" management services, the Company's 18 floors at Two International Finance Centre remained fully let throughout the year.

We acquired certain investment properties from KCRC as part of the Rail Merger, increasing our investment property portfolio by a lettable area of 40,957 square metres. The investment property portfolio acquired comprises five shopping centres in the New Territories totalling 36,487 square metres lettable, 20 residential units at Royal Ascot and an office at Hung Hom of 1,686 square metres lettable.

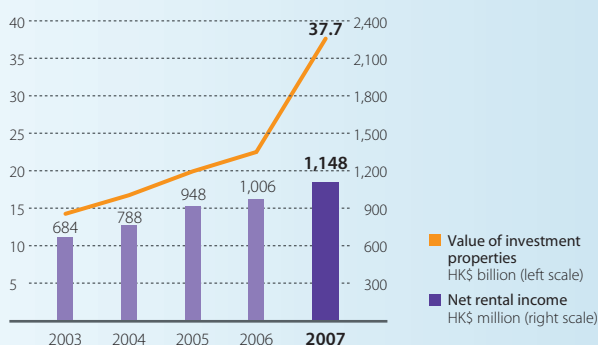
At the year end, the Company's attributable share of investment properties were 200,921 square metres of lettable floor area of retail properties, 41,215 square metres of lettable floor area of offices and 10,203 square metres for other usage.

Property Management

Our property management business, benefiting from additions to the portfolio, achieved revenue growth of 12.8% to HK\$168 million. During the year, 3,121 residential units were added to our property management portfolio at Coastal Skyline, Caribbean Coast and Harbour Green, which together

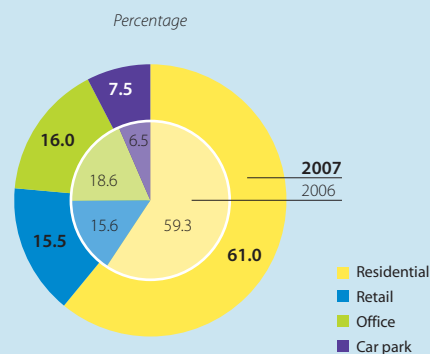
Investment Properties

Revenue from investment properties increased as rentals rose, together with contributions from the opening of Elements as well as additional investment properties acquired in the Rail Merger.



Distribution of Property Management Income

At the end of the year, the Company had 71,851 residential units and 756,556 sq.m. commercial properties under management in Hong Kong, and total management contracts in Mainland China amounted to 820,254 sq.m.



with the 9,854 units under agency management acquired in the Rail Merger, brings the total number of residential units in the property management portfolio of the Company in Hong Kong to 71,851 units at the end of 2007.

Prior to the Rail Merger, total commercial properties managed by the Company increased by 81,457 square metres mainly due to the inclusion of Elements Phase 1. With the Rail Merger, an additional 30,530 square metres of commercial area directly managed by the Company as well as 62,496 square metres of commercial area managed by agents were added to our property management portfolio to give a total of 756,556 square metres at the year end.

There was also a marked increase in the managed property portfolio in the Mainland of China in 2007, with a total new intake of 480,000 square metres, including Jian Wai SOHO Phase 7, SOHO Shangdu Phases 1 and 2, and Chao Wai SOHO all in Beijing, as well as Mei Li Shan Shui Phase 1 in Chongqing. A new consultancy project was undertaken in Shenyang for Shenyang Rich Gate. Altogether, total management contracts in hand in the Mainland amounted to 820,254 square metres.

Other Businesses

Ngong Ping 360

The Ngong Ping 360 cable car and associated theme village on Lantau Island opened on 18 September 2006. From its opening on 18 September 2006 to 11 June 2007, the tourist attraction carried some 1.5 million guests, which surpassed our

projections for the first full year of operations. In June 2007, during the annual testing outside of operation hours, one of the gondolas dislodged from the cable. There were no injuries and operations were immediately suspended, followed by detailed investigations and a period of intensive safety testing. In September, the Company took over the management and operation of the cable car system from the previous contractor through the acquisition of its Hong Kong subsidiary, with a senior management team of our experienced engineers and international cable car professionals. After many rigorous rounds of inspection, re-testing and re-certification, the system was confirmed to be safe and reliable and the cable car service resumed on 31 December 2007. The revenue contributed for the year was HK\$85 million.

Octopus Holdings Limited

The Company's share of Octopus' net profit for the year was HK\$97 million, a 42.6% increase over 2006. The increase was partly the result of an increase in average daily Octopus usage of 11.7% to HK\$81.9 million per day in 2007, brought about by a rise in the number of retail service providers and improvements in the general economy.

The "Portable Octopus Processor" (POP), which enables Octopus to extend its reach into the small to medium-sized market sector, was a driver of Octopus retail merchant expansion. By the end of 2007, the total number of service providers had risen to 490 from 431.

Other new products included the launch of the Mini Octopus, which has become a "hot" accessory in town, underscoring Octopus' innovation in product design. Octopus also introduced the Hello Kitty Octopus Key Ring Set, the first product offered by Octopus that comes in the form of a plush ring set.

Cards in circulation rose to 16.5 million and average daily transaction volume rose to 10.2 million. By the end of 2007, over 1.7 million cardholders had registered as members of the Octopus Rewards Programme with 14 participating Rewards merchants.

2007 was also a challenging year for Octopus in view of the Octopus EPS add-value incident whereby certain customers had incorrect amounts deducted from their bank accounts. With the help of EPS Company (Hong Kong) Limited and relevant

banks, virtually all unclaimed add-value funds using EPS were successfully returned to affected customers. To ensure customer protection, Octopus has permanently suspended the Octopus EPS add-value service, which accounted for only 1.5% of add-value transactions, since a detailed technical review by a special Task Force concluded that there can be no guarantee that the problem will not recur.

Octopus' unrelenting efforts to provide customer pleasure in using the Octopus service was duly recognised when it won the Excellent Creative Services Award in the Sing Tao Excellent Services Brand Award 2007. For the first time, the Company was also named a Caring Company by the Hong Kong Council of Social Service for its contribution to the community.

Airport Railway Property Developments (Packages Awarded)

Location	Developers	Type	Gross floor area (sq. m.)	No. of parking spaces	Actual or expected completion date
Hong Kong Station					
(International Finance Centre, IFC Mall, Four Seasons Hotel / Four Seasons Place)	Sun Hung Kai Properties Ltd. Henderson Land Development Co. Ltd. The Hong Kong & China Gas Co. Ltd.	Office Retail Hotel Car park	254,186 59,458 102,250	1,344	Completed by phases from 1998-2005
Sub-total			415,894		
Kowloon Station					
Package One (The Waterfront)	Wing Tai Holdings Ltd. Temasek Holdings (Pte) Ltd. Singapore Land Ltd. Keppel Land Ltd. Lai Sun Development Co. Ltd. Worldwide Investment Co. (Bermuda) Ltd.	Residential Car park	147,547	1,332	Completed in 2000
Package Two (Sorrento)	The Wharf (Holdings) Ltd. Wheelock and Company Ltd. Wheelock Properties Ltd. Realty Development Corporation Ltd. Harbour Centre Development Ltd.	Residential Car park	210,319	1,270	Completed by phases from 2002-2003
Package Three (The Arch)	Sun Hung Kai Properties Ltd.	Residential Cross border bus terminus Car park	100,000 5,113	412	Completed in 2005
Package Four (The Harbourside)	Hang Lung Properties Ltd.	Residential Car park	128,845	864	Completed in 2003
Packages Five, Six and Seven (Elements, International Commerce Centre, The Cullinan, Harbourview Place)	Sun Hung Kai Properties Ltd.	Retail Office Service apartment Hotel Residential Kindergarten Car park	82,750 231,778 72,472 95,000 21,300 1,045	1,743*	By phases from 2006-2010
Sub-total			1,096,169		

* The number of car parking spaces is subject to review

Airport Railway Property Developments (Packages Awarded) (Continued)

Location	Developers	Type	Gross floor area (sq. m.)	No. of parking spaces	Actual or expected completion date
Olympic Station					
Package One (Island Harbourview, HSBC Centre, Bank of China Centre and Olympian City One)	Sino Land Co. Ltd.	Office Retail Residential Indoor sports hall Car park	111,000 14,900 169,950 13,219	1,380	Completed in 2000
Package Two (Park Avenue, Central Park and Olympian City Two)	Sino Land Co. Ltd.	Retail Residential Market Car park	47,500 220,050 1,100	932	Completed in 2001
Package Three (Harbour Green)	Sun Hung Kai Properties Ltd.	Residential Kindergarten Car park	103,152 1,300	264	Completed in 2006
Sub-total			682,171		
Tsing Yi Station					
(Tierra Verde and Maritime Square)	Cheung Kong (Holdings) Ltd. Hutchison Whampoa Ltd. CITIC Pacific Ltd.	Retail Residential Kindergarten Car park	46,170 245,700 925	920	Completed in 1999
Sub-total			292,795		
Tung Chung Station					
Package One (Tung Chung Crescent, Citygate, Novotel Citygate and Seaview Crescent)	Hang Lung Group Ltd. Henderson Land Development Co. Ltd. New World Development Co. Ltd. Sun Hung Kai Properties Ltd. Swire Properties Ltd.	Office Retail Hotel Residential Kindergarten Car park	14,913 48,298 21,986 275,479 855	2,037	Completed by phases from 1999-2005
Package Two (Coastal Skyline)	HKR International Ltd. Hong Leong Holdings Ltd. Recosia Pte Ltd.	Retail Residential Kindergarten Car park	2,499 253,100 350	625	Completed by phases from 2002-2008
Package Three (Caribbean Coast)	Cheung Kong (Holdings) Ltd. Hutchison Whampoa Ltd.	Retail Residential Wet market Kindergarten Car park	4,996 407,300 508 350	1,185	By phases from 2002-2008
Sub-total			1,030,634		
Grand Total:			3,517,663	14,308	

Tseung Kwan O Line Property Developments (Packages Awarded)

Location	Developers	Type	Gross floor area (sq. m.)	No. of parking spaces	Status	Actual or expected completion date
Tseung Kwan O Station						
Area 57a (Central Heights)	Sun Hung Kai Properties Ltd. Nan Fung Development Ltd. Henderson Land Development Co. Ltd. Chime Corporation Ltd.	Residential Retail Car park	26,005 3,637	74	Awarded in July 2000	Completed in 2005
Area 55b (The Grandiose and The Edge)	New World Development Co. Ltd. Chow Tai Fook Enterprises Ltd. Wee Investments Pte. Ltd.	Residential Retail Car park	84,920 11,877	249	Awarded in January 2002	Completed in 2006
Area 56	Sun Hung Kai Properties Ltd.	Residential Hotel Retail Office Car park	80,000 58,130 20,000 5,000	363	Awarded in February 2007	2011
Hang Hau Station						
(Residence Oasis and The Lane)	Sino Land Co. Ltd. Kerry Properties Ltd.	Residential Retail Car park	138,652 3,500	369	Awarded in June 2002	Completed in 2004
Tiu Keng Leng Station						
(Metro Town)	Cheung Kong (Holdings) Ltd.	Residential Retail Car park	236,965 16,800	609	Awarded in October 2002	Completed by phases in 2006-2007
Area 86 (LOHAS Park)						
Package One	Cheung Kong (Holdings) Ltd.	Residential Retail Car park Residential Care Home for the Elderly	136,240 500 3,100	325	Awarded in January 2005	2008
Package Two	Cheung Kong (Holdings) Ltd.	Residential Kindergarten Car park	309,696 800	905	Awarded in January 2006	By phases from 2009-2010
Package Three	Cheung Kong (Holdings) Ltd.	Residential Kindergarten Car park	128,544 1,000	350	Awarded in November 2007	2012

East Rail Line, Ma On Shan Line and West Rail Line Property Developments (Packages Awarded)

Location	Developers	Type	Gross floor area (sq. m.)	No. of parking spaces	Status	Actual or expected completion date
Fo Tan Station						
Ho Tung Lau (Site A)	Sino Land Company Limited	Residential Retail Car park	120,900 2,000	239	Awarded in November 2002	2008
Wu Kai Sha Station						
	Sino Land Company Limited	Residential Retail Kindergarten Car park	168,650 3,000 1,000	308	Awarded in July 2005	2009
Tai Wai Maintenance Centre						
	Cheung Kong (Holdings) Limited	Residential Car park	313,955	711	Awarded in April 2006	By phases from 2009-2011
Tuen Mun Station*						
	Sun Hung Kai Properties Ltd	Residential Retail Car park	119,512 25,000	384	Awarded in August 2006	By phases from 2012-2013

* as development agent for the Government of HKSAR

Tseung Kwan O Line Property Developments (Packages to be Awarded)**

Location	No. of packages envisaged	Type	Gross floor area (sq. m.)	Expected No. of parking spaces	Period of package tenders	Expected completion date
LOHAS Park	6 – 10	Residential Retail Car park	1,025,220– 1,035,220 39,500 – 49,500	3,303 (max.)	2009-2015	2019

** Subject to review in accordance with planning approval, land grant conditions and completion of statutory processes

Ma On Shan Line/Light Rail/Kowloon Southern Link Property Developments (Packages to be Awarded)**

Location	No. of packages envisaged	Type	Gross floor area (sq. m.)	Expected No. of parking spaces	Period of package tenders	Expected completion date
Che Kung Temple Station	1	Residential Retail Kindergarten Car park	89,792 193 670	236	2008	2012
Tai Wai Station	1-2	Residential Retail Kindergarten Car park	190,480 62,000 1,100	713	Under review	Under review
Tin Shui Wai Light Rail Terminus	1	Residential Retail Car park	91,051 205	267	2012	2017
Site C & Site D West Kowloon Station, Tsim Sha Tsui	2	Residential Retail Car park	104,795 20,959	321	2009 - 2010	2013 - 2014

** Subject to review in accordance with planning approval, land grant conditions and completion of statutory processes

Choi Hung Park and Ride Development

Location	Developers	Type	Gross floor area (sq. m.)	No. of parking spaces	Status	Actual completion date
Choi Hung Station (No. 8 Clear Water Bay Road)	Chun Wo Holdings Ltd.	Residential Retail Car park Park & Ride	19,138 2,400	54 450	Awarded in July 2001	Completed in 2005

Investment Property Portfolio (as at 31 December 2007)

Location	Type	Lettable floor area (sq. m.)	No. of parking spaces	Company's ownership interest
Telford Plaza I, Kowloon Bay, Kowloon	Shopping centre	39,616	–	100%
	Car park	–	993	100%
Telford Plaza II, Kowloon Bay, Kowloon	Shopping centre	19,411	–	50%
	Car park	–	136	50%
Luk Yeung Galleria, Tsuen Wan, New Territories	Shopping centre	11,198	–	100%
	Car park	–	651	100%
Paradise Mall, Heng Fa Chuen, Hong Kong	Shopping centre	18,772	–	100%
	Wet Market	1,216	–	100%
	Car park	–	415	100%
Maritime Square, Tsing Yi	Shopping centre	28,931	–	100%
	Kindergarten	920	–	100%
	Car park	–	220	100%
	Motorcycle park	–	50	100%
The Lane, Hang Hau	Shopping centre	2,629	–	100%
	Car park	–	16	100%
	Motorcycle park	–	1	100%
The Edge, Tseung Kwan O	Shopping centre	7,683	–	70%
	Car park	–	50	70%
G/F, No. 308 Nathan Road, Kowloon	Shop unit	70	–	100%
G/F, No. 783 Nathan Road, Kowloon	Shop unit	36	–	100%
New Kwai Fong Gardens, Kwai Chung, New Territories	Kindergarten	540	–	100%
	Car park	–	126	100%
International Finance Centre (IFC), Central, Hong Kong				
– Two IFC	Office	39,529	–	100%
– One and Two IFC	Car park	–	1,308	51%
Phase I, Carpark Building, Kornhill, Quarry Bay, Hong Kong	Car park	–	292	100%
Roof Advertising Signboard, Admiralty Centre, No.18 Harcourt Road, Hong Kong	Advertising signboard	–	–	100%
Ten Shop Units, First Floor Podium, Admiralty Centre, No. 18 Harcourt Road, Hong Kong	Shops	286	–	50%
Olympian City One, Tai Kok Tsui, Kowloon	Indoor sports hall	13,219	–	100%
Olympian City Two, Tai Kok Tsui, Kowloon	Shop unit	1,252	–	100%
Caribbean Coast, Tung Chung, New Territories	Wet market	508	–	100%
Choi Hung Park & Ride Public Car Park, No. 8 Clear Water Bay Road, Choi Hung, Kowloon	Car park	–	54	51%
	Motorcycle park	–	10	51%
	Park & Ride	–	450	51%
Elements, No. 1 Austin Road West, Kowloon	Shopping centre	39,210	–	81%
	Car park	–	898	81%
Cross Border Coach Terminus, No. 1 Austin Road West, Kowloon	Coach terminus	5,113	–	100%
Kindergarten, No. 1 Austin Road West, Kowloon	Kindergarten	1,045	–	81%
Plaza Ascot, Sha Tin	Shopping Centre	7,381	–	100%
Royal Ascot, Sha Tin	Residential	2,784	–	100%
	Car park	–	20	100%
Ocean Walk, Tuen Mun	Shopping centre	6,086	–	100%
	Car park	–	32	100%
Sun Tuen Mun Shopping Centre, Tuen Mun	Shopping centre	9,039	–	100%
	Car park	–	421	100%
Hanford Plaza, Tuen Mun	Shopping centre	1,950	–	100%
	Car park	–	22	100%
Retail Floor and 1-6/F, Citylink Plaza, Sha Tin	Shopping Centre	12,031	–	100%
Portion of G/F and portion of 1/F, MTR Hung Hom Building, Hung Hom	Office	1,686	–	100%

All properties are held by the Company and its subsidiaries under Government Leases for over 50 years except for:

- Telford Plaza I and II, Luk Yeung Galleria, Maritime Square, New Kwai Fong Gardens, IFC, Olympian City, Caribbean Coast, Elements, Cross Border Coach Terminus and Kindergarten at No. 1 Austin Road West, Plaza Ascot, Royal Ascot, Ocean Walk, Sun Tuen Mun Shopping Centre and Hanford Plaza where the Government Leases expire on 30 June 2047

Investment Property Portfolio (as at 31 December 2007) (Continued)

- Choi Hung Park & Ride where the Government Lease expires on 11 November 2051
- The Lane where the Government Lease expires on 21 October 2052
- The Edge where the Government Lease expires on 27 March 2052
- Citylink Plaza and MTR Hung Hom Building where the grant of Government Leases to Kowloon-Canton Railway Corporation (KCRC) and the subsequent assignment of the properties by KCRC to the Company are underway

Properties Held for Sale (as at 31 December 2007)

Location	Type	Gross floor area (sq. m.)	No. of parking spaces	Company's ownership interest
Island Harbourview, No. 11 Hoi Fai Road, Kowloon	Car park	–	579	40%
Olympian City One, No. 11 Hoi Fai Road, Kowloon	Shopping centre	6,042*	–	40%
	Car park	–	330	40%
Bank of China Centre, No. 11 Hoi Fai Road, Kowloon	Car park	–	117	40%
The Arch, No. 1 Austin Road West, Kowloon	Residential	3,182	–	38.5%
	Car park	–	35	38.5%
Residence Oasis, No. 15 Pui Shing Road, Hang Hau, Tseung Kwan O	Car park	–	191	71%
	Motorcycle park	–	18	71%
The Grandiose, 9 Tong Chun Street, Tseung Kwan O	Car park	–	148	70%
	Motorcycle park	–	25	70%
Metro Town, 8 King Ling Road, Tseung Kwan O	Car park	–	487	72%
	Motorcycle park	–	33	72%
Central Heights, 9 Tong Tak Street, Tseung Kwan O	Car park	–	54	35%
	Motorcycle park	–	4	35%
Harbour Green, No. 8 Sham Mong Road, Kowloon	Residential	6,728	–	35%
	Car park	–	126	35%
	Kindergarten	1,299	–	50%
Caribbean Coast, No. 1 Kin Tung Road, Tung Chung	Car park	–	285	20%

* Lettable floor area

Managed Properties (as at 31 December 2007)

Number of managed residential flats	71,851 units
Area of managed commercial and office space	756,556 sq.m.