

In line with the development trends of the PRC property market, the Group has concentrated its resources on domestic residential property sector. Investment in hi-tech projects has also been reinforced to facilitate business transformation.

PROPERTY DEVELOPMENT

The Group affirmed its development strategy which is in line with the development trends of the PRC property market, with timely adjustment to the development progress, including expediting the development and construction of the residential projects. Details of the major property development projects scheduled for the year and thereafter are summarized below:

NANJING JIA SHENG GARDEN

Jia Sheng Garden is located at Gu Lou District, Nanjing. The site has an area of approximately 37,147 square metres and is currently being developed by Winsan Nanjing (運盛南京) into 21 blocks of multi-storey and highrise residential buildings. The project has a total gross floor area of approximately 108,568 square metres, which will be completed phase by phase in accordance with market condition. A total of 67,386 square metres have already been sold.

FUZHOU TIAN CI LIANG YUAN (FORMERLY KNOWN AS ZOU HAI TIAN QI GARDEN)

This project is located at Er Huan Road, Fuzhou. The site has an area of approximately 32,000 square metres with a plan to construct 15 blocks of six to nine storeys of residential buildings. The total gross floor area of approximately 53,270 square metres have been completed. The project was overwhelmingly received and approximately 50,654 square metres have been sold.

“FENG XIANG DADI” HIGH-RISE RESIDENTIAL BUILDINGS OF FUZHOU JIA SHENG PLAZA

Jia Sheng Plaza is located at Liu Yi Zhong Road, Fuzhou. The site area is approximately 12,260 square metres with a total gross floor area of 91,229 square metres, of which 29,010 square metres have been developed into the Strait Construction and Materials Decoration City (海峽建材裝飾城) comprising a five-storey commercial complex and a two-level basement carpark, which have been retained for rental. At present, 35,833 square metres have been developed into “Feng Xiang Da Di” comprising two high-rise residential buildings, of which a total of 24,871 square metres have been sold and another undeveloped office building of 26,386 square metres will be converted for residential use with the construction scheduled to begin in late 2001.

SHANGHAI DA YUN SHENG CHENG

Shanghai Da Yun Sheng Cheng is located at Huang Xing Road, adjacent to Inner Ring Road, Shanghai. The site has an area of approximately 59,032 square metres. The project, with a total gross floor area of 189,172 square metres, was awarded the “Best Residential Project in Da Tong Bei” in Shanghai. The construction of phase I and phase II was completed. The project will proceed in accordance with market conditions. A total of 84,747 square metres have been sold.

SUZHOU MEI ZHI GUO (FORMERLY KNOWN AS JIA SHENG GARDEN)

Suzhou Mei Zhi Guo is located at Pan Zhong Road in the southwestern area of Suzhou. The site has an area of approximately 283,335 square metres. The Group plans to construct a low density residential estate with a total gross floor area of approximately 305,700 square metres. Commenced on 18th April 1999, the project will proceed in accordance with market conditions. A total of 53,417 square metres have been sold.

THE SITE AT 92-98, THOMPSON ROAD, WANCHAI, HONG KONG

This site is located only 100 metres away from the Wanchai MTR station. It has an area of 3,391 square feet (approximately 315 square metres), with a total gross floor area of 50,816 square feet, comprising 11,363 square feet for shops and 39,453 square feet for commercial purpose. The project has been completed and achieved an occupancy rate of 95%. However, due to the sluggish market condition of Hong Kong office building, this project recorded a valuation deficit of HK\$36 million during the year.

SUZHOU WINSAN GARDEN

Suzhou Winsan Garden is located at Ta Yuan Road, Suzhou New District, Suzhou. The site has an area of approximately 66,667 square metres. The Group plans to develop a residential district with a total gross floor area of approximately 180,000 square metres. Clearance of the site has already completed and all utilities and transportation network have also been connected. The project will proceed phase by phase in accordance with market conditions.

TIAN JI MANSION (PHASE II)

Tian Ji Mansion (Phase II) is located at 317, Wu Si Road, Fuzhou. The site has an area of approximately 4,266 square metres and will be developed into a high-rise residential building with a total gross floor area of approximately 20,218 square metres. The construction will proceed phase by phase in accordance with market conditions.

SUZHOU TAI HU YE SHAN ISLAND RESORT

Suzhou Tai Hu Ye Shan Island Resort is located at Ye Shan Island, the centre of the third largest inland lake of the PRC, which is located within the Suzhou Tai Hu State Tourist Resort District. The area is part of the first batch of state-class holiday resorts approved for development by the State Council. The site has an area of approximately 320,000 square metres. The project is at its planning stage and will proceed phase by phase in accordance with market conditions.

FUZHOU BAO FU XING CHENG

Fuzhou Bao Fu Xing Cheng is located between Xi Er Huan Road and Xi San Huan Road. The site has an area of 330,000 square metres, surrounded by a natural green belt and adjacent the Fuzhou Niu Tou Shan Gong Garden. The site is planned to be developed into the largest greenwood residential estate in Fuzhou. Project planning has commenced during 2000 and project development will be carried on in 2001.

TRANSONLINE

TransOnline (网 上 交 易 平 台) hinges on “Freight Exchange Information System” and the “Integrated Logistics Solution”. The former is the result of the five years’ research by the Highway Research Institute of the Ministry of Communications, while the latter is still under research.

“Freight Exchange Information System” passed the State technology appraisal in March 1999 and was affirmed by the PRC Ministry of Communications as one of the leading communications system project of the State in 2000. A steering committee was set up by the Ministry of Communications for the project and 31 provinces, autonomous regions and centrally administered municipals have also established their respective committees.

After a one-year trial operation, TransOnline was officially launched on 12th August 2000.

In the past decade, the road communications infrastructure in the PRC underwent fast development. By the end of 1999, the highway network of the PRC reached a length of 1,336,000 kilometres, of which 12,000 kilometres were expressways, ranking the third worldwide. By the end of 1999, there were 4.17 million transportation vehicles in the PRC, and the State’s land transport industry recorded a total production value of RMB281 billion. In other words, there is an enormous land transportation market with huge potential waiting to be explored in the PRC.

TransOnline targets at the land transportation and logistics industries in the PRC, and its customers base are the land transport and logistics enterprises, intermediaries and manufacturers.

TransOnline is a portal based on a central website. Its alliance websites comprise 45 major road hubs and nearly 300 secondary road hubs being established by the PRC Ministry of Communications. By combining hi-tech internet technologies with traditional logistics services, TransOnline aims to enhance the management capacity, operation efficiency and competitiveness for the transport industry.

TransOnline is a highly specialized logistics and land transportation network system with distinct markets. Its major business involves: (1) identity verification services for members throughout the State; (2) operation of Freight Exchange Information System; (3) advertising; (4) telecommunication and logistics value added services; and (5) Integrated Logistics Management Software.

INCOME STREAMS OF TRANSONLINE

1. Annual Fees for IC Membership Cards

TransOnline is membership based and fees are charged annually.

2. Advertising

TransOnline provides transportation-related enterprises with advertising media such as yellow pages, electronic maps and member handbook. These charges are collected on an annual basis.

3. Insurance General Sales Agency

TransOnline have entered into an exclusive General Sales Agency agreement with a leading insurer in the PRC which offers for online insurance services for its members.

4. Telecommunication Agency Services

TransOnline will enter into strategic alliance agreements with a leading telecommunications company in the PRC. Being the exclusive nationwide agency of the telecommunications company, TransOnline will be responsible for its own marketing services for internet access and dial-up services.

5. Development and Sales of Integrated Logistics Solution and Logistics Enterprise Management Software

Apart from software sales, annual fees will be charged for software and system maintenance, training of operators, software implementation and upgrade.

6. Freight Intermediaries

When the market is fully developed, TransOnline will be able to charge fees to intermediaries for online freight exchange referrals.

Establishment of TransOnline, our major investment project, was successfully completed in the year, and the portal was officially launched in August 2000. Currently, the Group has signed alliance agreements with parties from 49 transport hubs in medium to large cities in the PRC for the establishment of a network covering 36 cities. Meanwhile, the alliance has started to develop its membership and issuance of IC cards to its members. Agency arrangements with a leading insurer and a leading telecommunication company were in smooth progress and are expected to become stable revenue sources for TransOnline. The market research and design of the integrated logistics application has commenced in preparation for development into this huge market.