

New World China Enterprises

Through New World China Enterprises Projects Limited, the Group has made headway in four high growth areas in the Mainland China market: healthcare, consumer products, building materials and automotive mid-stream and downstream services.

In December 2000, the Group formed a strategic alliance with Liberty Mutual Group of the United States and other investors, including lead participation from the Asian Development Bank, to set up the New World Liberty China Ventures Limited and raised an initial capital of USD150 million.

New World China Enterprises Projects Limited is the project manager behind this joint venture and will identify high growth, small to medium-sized enterprises in China, and to help increase their competitiveness and profitability by initiating good corporate governance and management practices, thus bringing them in line with international standards. Many of the investee companies are already achieving positive EBITDA, when business growth reaches an appropriate level, these investee companies intend to seek a stock market listing in order to unlock the investment value.

from left to right:

- **Shanghai City Planning Display Hall (polished crystallised stone in white colour manufactured by Tianjin Standard International Building Materials Industry Co. Ltd.)**

The crystallised stone is a stylish and environmental friendly product. This company supports the Group's property development business with quality building materials.

- **New World Department Store**

Grow further with the increasing domestic spending by consumers in China.



New World Department Store

Established since 1993, New World Department Stores Limited has operations in Hong Kong and seven cities in Mainland China. The department store operation has been a complementary business to the Group's shopping facilities in both Hong Kong and China. In Hong Kong, "Needs", covering 60,000 sq.ft. at the level two of the New World Centre, is now one of the largest lifestyle home plaza in Hong Kong offering international delicacies, household decoration, kids wear etc. During the year under review, NWDS opened a new department store in Shenyang and unveiled the second phase of its stores in Wuhan and Beijing. The performance of its Mainland stores has been very encouraging in view of increased domestic spending by mainland consumers. Total sales of its Mainland store increased 25% to HK\$1,067 million. In view of the growing acceptance of these larger format stores, four stores will be opened in the coming two years with the focus on high growth cities such as Wuhan, Shanghai, Dalian and Nanjing.



Existing New World Department Stores and planned expansions in China are as follows:

City	Date of Business Commencement
Wuhan (Jianshe Dadao)	
- Phase I	Nov 1994
- Phase II	Sep 2000
Shenyang (Nanjing Street)	Nov 1995
Wuxi	Jan 1996
Harbin	Nov 1996
Tianjin	Oct 1997
Ningbo	Apr 1998
Beijing	
- Phase I	Jun 1998
- Phase II	Oct 2000
Hong Kong	Apr 1999
Shenyang (Taiyuan Street)	Aug 2000
Wuhan (Jiangnan Road)	Late 2001 (expected)
Shanghai	Late 2001 (expected)
Dalian	2002 (expected)
Nanjing	2002 (expected)

Outlook

With imminent entry into the WTO, China is poised to capture unprecedented business growth opportunities and is also one of the fastest growing economies in the world. The Group is committed to supporting China to drive towards modernisation and the Group's strategic investments in China are well-placed for a prosperous future.