



Macau which offers an international standard 18-hole golf facility. In May 2001, MGCC hosted the Macau Open golf tournament for the fourth consecutive year.

19 December 2001 marked the official opening of the Macau Tower Convention and Entertainment Centre ("MTCEC") which is owned by Sociedade de Turismo e Diversões de Macau, S.A.R.L. ("STDM"). In December 2001, the Group was awarded the operational and property management agreement for the MTCEC for 20 years. The 338-metre high MTCEC is the world's tenth, and Asia's eighth, tallest freestanding tower. The MTCEC is a highly visible landmark in Macau, comprising a communication and observation tower, an outdoor plaza and a 4-level convention and entertainment centre with exhibition and conference facilities, a 500-seat theatre, entertainment areas and restaurants, cafes and retail stores. As a prominent tourism, convention and entertainment landmark, MTCEC will broaden the Group's hospitality network in Macau.

Reflecting its continuing confidence in the prospects of Macau, the Group is committed to participating in Macau's promising new business environment. The Group has a 5% stake in STDM. STDM owns an 80% equity interest in Sociedade de Jogos de Macau, S.A. which signed a new gaming licence with the Macau SAR Government in March 2002. STDM also has interests in eight Macau hotels, the Nam Van Lakes reclamation project, the Nova Taipa Gardens, a 35.8% interest in Macau International Airport and a 14% interest in Air Macau, the enclave's flagship carrier. Ordinary dividends received from STDM in 2001 were HK\$14.3 million (2000: HK\$7.6 million).

It is anticipated that the opening up of the gaming industry will generate new investments in entertainment, tourism and cultural projects in Macau. This will in turn reinforce tourism interest and present the Group with opportunities for growth potential. The Group has confidence in the growth of Macau's tourism industry and economic prosperity in the Pearl River Delta region. With its

track record and experience in the hospitality business, the Group will continue to seek appropriate hospitality-related investment opportunities in Macau to create synergy for its existing operations.

## Review of Operations

# Prop

*“Sales from the Group’s quality property development projects will generate substantial cash inflow and earnings in the near future and significantly strengthen the Group’s financial position to pursue new business opportunities.”*

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# Review of Operations



## Property

The Group's property division achieved satisfactory growth in both turnover and earnings during the year from the sales of The Belcher's. As a result, the strong cash inflow from property sales significantly improved the gearing of the Group and enhanced its financial strength.

### The Belcher's

The Belcher's Phase I development comprises three residential towers of 1,093 units (ranging in size from 800 to 1,800 square feet) and The Westwood, a large-scale commercial podium. The five-storey shopping mall of over 220,000 square feet houses a wide spectrum of retail outlets, adding value to The Belcher's as a premier property. The Belcher's also provides a deluxe 190,000 square feet all-weather residents' clubhouse and landscaped garden, which are the largest in the Mid-Levels.

Handover of the residential units of Phase I to homebuyers commenced in April 2001. The grand opening of The Westwood, the largest shopping landmark in the Western Mid-Levels, took place in October during the year. Phase II of the development, comprising the remaining three residential towers of 1,120 units, is scheduled for completion in mid-2002.

The Group launched additional residential units of Phases I and II in June and December 2001. Due to its convenient location and excellent clubhouse facilities, these were well-received by the market.

### Liberté (formerly known as Cheung Sha Wan Shipyards Redevelopment Project)

In April 2000, the Group jointly submitted with Sun Hung Kai Properties Limited ("SHKP") a revised development plan for the Liberté to replace two hotel towers by two residential towers. The land premium offered by the Lands Department for modification of the



government leases was accepted in December 2001 and fully paid in early 2002.

Under the revised scheme, the Liberté features seven residential towers comprising 2,434 quality residential units (ranging in size from 500 to 950 square feet) and a commercial complex development with a total gross floor area of approximately 1.7 million square feet. In March 2001, the Group and SHKP formed a 50:50 joint venture to undertake the main construction contract of the project.

Superstructure works for Phase I, comprising five residential towers of 1,834 units, commenced in February 2001 and is scheduled for completion in the third quarter of 2003. Pre-sale of Phase I was launched in April 2002 and was well-received by the market. Phase II, comprising two residential towers of 600 units and a commercial podium, is scheduled for completion by the end of 2003.

The Liberté is ideally located at the centre of West Kowloon's

transportation network and within walking distance to an MTR station. The Liberté will be equipped with a Balinese Palm Health Club House Garden of over 170,000 square feet featuring a variety of facilities.

#### Other Properties

The Phase I development of Nova Taipa Gardens in Macau, comprising 13 residential blocks, was launched in stages with approximately 78% of the units sold by the end of 2001.

The Shun Tak Business Centre in Guangzhou comprises a 32-storey office tower and a six-storey shopping arcade and multi-functional office accommodation. Since its completion in April 2000, sales and leasing of the development has progressed satisfactorily.

Phase I of the City Center of Shanghai (formerly known as Shanghai Plaza) comprises two 25-storey office towers and a six-storey retail and entertainment podium. Tower B was granted an occupation

permit in February 2001 and is almost fully let. Tower A and the podium are expected to receive an occupation permit in mid 2002.

#### Property Services

With the addition of The Belcher's, The Westwood and the Macau Tower Convention and Entertainment Centre to its property management portfolio during the year, the Group currently manages approximately 5.1 and 3.4 million square feet of floor area in Hong Kong and Macau, respectively. The portfolio of the Group will be enhanced upon completion of the Liberté with the recent appointment of its property management division as the property manager of the development.

Committed to providing a comprehensive range of property management services to support the management and efficient functioning of its portfolio, the division has built up its own security team to enhance the quality of its services.

# Review of Operations

## Properties for Development and/or Sale

	Approx. Total Gross Floor Area (Sq. m)	Approx. Total Site Area (Sq. m)	Primary Use	Group's Interest	Development Progress as of Dec 2001	Estimated Completion Date
<b>Hong Kong</b>						
The Belcher's		30,125	Residential			
Phase I	112,619			51%	Works completed	–
Phase II	138,162			51%	Superstructure works	2002
Chatham Gardens	–	3,786	–	51%	Under planning	–
Liberté		18,912	Comprehensive Development			
Phase I	119,458			64.56%	Superstructure works	2003
Phase II	40,112			64.56%	Superstructure works	2003
124 Pok Fu Lam Road	–	1,684	Residential	100%	Under planning	–
YTM Lots 30 & 31, Yau Tong	–	1,858	–	50%	Land bank	–
<b>Macau</b>						
NAPE (Outer Harbour New Reclamations) Lot No. 3 (A2/1)	–	2,916	Hotel/ Commercial	20%	Land bank	–
Nova Taipa Gardens			Residential/ Commercial/ Hotel			
Phase I	292,602	29,555		25%	Works completed	–
Phase II	292,912	29,547		25%	Foundation completed	2005
Phase III	64,890	15,277		25%	Land bank	–
Phase IV	47,149	5,225		25%	land bank	–
Phase V	112,825	24,829		25%	Land bank	–
<b>Mainland China</b>						
Shun Tak Business Centre, 246, Zhongshan Road 4, Guangzhou	48,445	3,869	Commercial	60%	Works Completed	–
City Center of Shanghai, Hongqiao District, Shanghai						
Phase I	170,011	17,664	Commercial	15%	Superstructure works	2002

## Investment and Hotel Properties

	Approx. Total Gross Floor Area (Sq. m)	Approx Total Site Area (Sq. m)	Primary Use	Group's Interest	Occupancy Rate as of Dec 2001	Average Rental Rate for the year 2001	Approx. Lettable Floor Area (Sq. m)	Development Progress as of Dec 2001	Year of Lease Expiry
The Westwood, 8 Belcher's Street, Hong Kong	20,724	—	Commercial	51%	80.0%	HK\$387 psm	14,682	—	2030
The Belcher's, 89 Pok Fu Lam Road, Hong Kong	601 motor car parking spaces	—	Carpark	51%	40.5%	HK\$3,200 per carpark per month	—	—	2030
	33 motorcycle parking spaces	—	Carpark	51%	9.1%	HK\$1,000 per carpark per month	—	—	2030
Seymour Place, LG/F & G/F, 60 Robinson Road, Hong Kong	974	900	Commercial	100%	100%	HK\$383 psm	822	—	2858
Seymour Place, 1/F-4/F, 60 Robinson Road, Hong Kong	26 parking spaces	—	Carpark	100%	76.9%	HK\$3,500 per carpark per month	—	—	2858
Monmouth Place, L1-L4, 9L Kennedy Road, Hong Kong	18 parking spaces	—	Carpark	100%	38.9%	HK\$2,000 to 3,500 per carpark per month	—	—	2047
Starhouse Plaza, shop no. 5B on G/F, and portion of shop in Basement, Star House, excluding shop A, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong	2,643	—	Commercial Shopping Arcade	100%	95.2%	HK\$208 psm	2,643	—	2863
Mandarin Oriental Macau, Avenida da Amizade, Macau	46,453	8,486	Hotel	50%	—	—	—	—	2007 renewable to 2032
Extension in the Outer Harbour New Reclamation Zone, Macau	1,327	15,176	Resort	50%	—	—	—	—	2007 renewable to 2049
Shun Tak House, 11 Largo do, Senado, Macau	2,695	—	Food Court	100%	100%	HK\$130 psm	2,510	—	Freehold
The Westin Resort Macau and Macau Golf & Country Club, Hac Sa Beach, Coloane, Macau	46,644 (including carparks)	767,373	Hotel/ Golf Course	34.9%	—	—	—	—	2003 renewable to 2049

## Investment Property Under Planning

Rawai Beach, Phuket, Thailand	—	36,800	Hotel	50%	—	—	—	Land bank	Freehold
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## Properties Held by The Group for Own Use

Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, H.K.	1,823	—	Office Premises	100%	—	—	—	—	2055 renewable to 2130
83 and 95, Hing Wah Street West, Kowloon	19,320	19,139	Shipyards	71%	—	—	—	—	2051
Macau International Centre, Macau 2/F to 4/F (whole floor) and Flats A, B, C, of 5/F, Block 12	2,894	—	Staff Quarters	100%	—	—	—	—	2006 renewable to 2049
Flats E of 8-11/F, Block 13	473	—	Staff Quarters	71%	—	—	—	—	2006 renewable to 2049