

launch in August 2003, more than 90% of the units in its 110,000 square meters Phase I project have been sold. Phase I is expected to complete and ready for occupation by the end of 2004. The construction work for Phase II has been started in March 2004 and is expected to complete by August 2005. Pre-sale of Phase II has started in June 2004. Out of the 684 units launched for pre-sale, 180 units were sold within the first month.

## **REDOMICILE SCHEME**

The Board approved the redomicile scheme of the Company in August 2003 through incorporation of a new holding company in the Cayman Islands with the name of "First International Investment Company Limited". The first scheme was submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9th October 2003 and an announcement was put out on newspapers immediately afterwards.

In February 2004, the Board resolved to change the name of the new holding company to "New Capital International Investment Limited". The 11th proof of the scheme document has been submitted to the Stock Exchange for approval in September 2004. Once the approval is obtained from the Stock Exchange, the Company can arrange for shareholders meeting and proceed with the completion of the redomicile scheme.

## **FUTURE PROSPECTS**

Since 2002, the Beijing municipal government has issued a series of directives intended to curtail an overly rapid growth of investment in real estate development by limiting credit availability and tightening the supply of land. These measures will tend to eliminate the smaller, financially weaker developers from the market while leaving the larger developers with a better and more transparent environment to operate. It will also stimulate developers to put more

emphasis on market research and producing better quality products. The Company's investment in the Pacific Town Project is in a favorable position to enjoy the new conditions.

Spurred by the infrastructure investment in preparation for the 2008 Olympic Games and by China's accession to the WTO, Beijing's economy is experiencing rapid growth. As new investment projects and multinational companies continue to flow into the Beijing market, more expatriates are being relocated to Beijing for both short and long-term assignments. Local Chinese were also active in purchasing units for owner occupation purpose. This indicates a stable demand for high-end residential units in the short to mid-term.

It is the Group's strategy to make further investment in the Beijing property sector with a focus on high quality development projects. With years of experience and knowledge in the Beijing market, the Directors of the Company are confident with the prospects of the Group.

## **SHARE ISSUE OF THE COMPANY**

On 19 April 2004, the Company entered into an agreement with Sense Control International Limited in relation to the issue and allotment of 107,600,000 new shares in the Company at the cash price of HKD0.14 per share. As referred to in the Company's announcement on 20 July 2004, at the request of the subscriber, the Company has agreed to postpone the completion to October 2004.