



Mr. Wong Sai Chung, *Chairman and Joint Managing Director*

I am pleased to present the annual report of the Group for the year ended 31 December 2000. The audited consolidated profit attributable to shareholders of the Group for the year ended 31 December 2000 amounted to HK\$107,309,000.

DIVIDENDS

The directors do not recommend the payment of a final dividend.

PROPERTY

Our joint venture project with the Cheung Kong Group, Vista Paradiso, had provided the Group with development profits in terms of billion dollars. We are now working towards another large scale development in the New Territories, Hong Kong with Sun Hung Kai Properties.

Pre-sale of our residential property development in Tien He, Guangzhou, a joint venture with New World China will start in June this year.

Chairman's Statement

Shanghai Cannes is close to the subway terminal and occupies a site area of 10 million square feet. Total gross floor area will be in the region of 20 million square feet. The 800 units of Phase I launched have been pre-sold successfully, and Phase I is scheduled to be completed in August this year with a total gross floor area of 2 million square feet.

The shopping mall and service apartments of Shanghai Concord World Plaza Phase I are now open. Phase II is now in the development stage with the new design for a theme shopping mall, hotel, apartments and office. The Concord World Plaza is located towards the end of Nanjing West Road with street frontage of close to 1 kilometre in length or 1 million square feet in area. With a total gross floor area of about 4 million square feet, it will be a new and leading focal point in Shanghai with shopping, entertainment facilities and restaurants all in one place. This project is a major asset of the Group. Since the launching of the service apartments last year, the Concord World Plaza has begun to contribute substantial recurring rental income to the Group.

Our residential and shopping mall complex development at Tai Uk Wai, Tsuen Wan, Hong Kong is scheduled for completion next year. Pre-sale will start in the second half of this year.

We have commenced the development of our residential project in Yuen Long town centre with a tentative pre-sale schedule by next year.

We are in discussion with the Hong Kong Government on the "change of use" in respect of selected land bank to prepare for the future development of several strategic and large scale property projects in the New Territories, Hong Kong.

SOFTWARES

Our software package including i-Trade: IE, ISME, DE, and DSME softwares, provided by SpaceOne for international trade application, is considered one of the most comprehensive softwares currently available in China, and is now used by some large enterprises. There are over 100,000 enterprises who participate in the trading platforms of users such as Xinbao Group and China-B2B.com. The eGovernment: SMEI, SMED and eMarket – I/E & D/E softwares are also being deployed for some governments as well as enterprises. We also provide on-line customs declaration systems for manufacturing and commodity products in some customs departments in China. Softwares are the heart of communication and information industries and our dedicated commitment to the software development will provide satisfactory return to our shareholders.

OIL

Concord Oil has been expanding its storage and distribution network of petroleum products in major cities and regions along the coast line and rivers in China. To date, there are over 100 petro-filling stations in operation or under construction, with another 100 stations in various stages of planning and design. With a swift and coherent image, international quality facilities, premium services, top-class management, and a young but well-trained operation team, Concord Oil has achieved an impressive track record.

After years of efforts, particularly after the recent successful privatisation of Concord Land, Pacific Concord has accumulated vast experience and strengths. Even though the US and Asia Pacific (including Hong Kong) are facing the challenge of economic recession, Pacific Concord is fully prepared to take off.

Thank you very much for the continuous supports from our shareholders and colleagues.