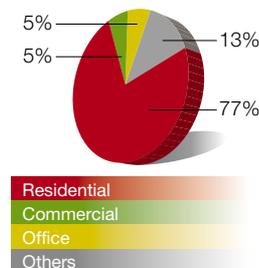


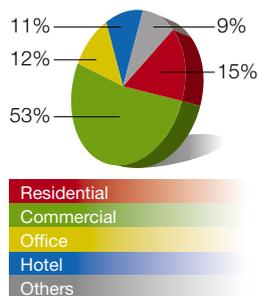
Beijing New World Centre Phase I

Beijing

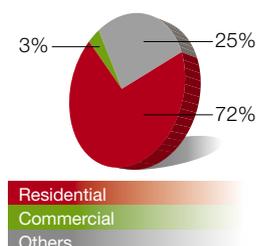
Development Properties For Sale Total GFA



Completed Investment Properties Total GFA



Investment Properties Under Development Total GFA



Property Development

The Group is strategically positioned to pursue its developments in Chongwen District. **Chongwen District** is located near the heart of the capital with Tiananmen Square at the north, the Temple of Heaven to the south, the well-known commercial districts to the west, and the burgeoning core business district to the east. These conveniently located developments fully capitalize on their close proximity to the major metropolitan features of the city and to its sites of historical splendour.

Since 1993, the Group has been working with the Chongwen District Government to improve the infrastructure of the district. In 1997, the Chongwenmenwai Street widening programme was completed. In 2001, the Guang On Street was also widened into a 70-meter wide thoroughfare. Guang On Street runs parallel to the famous Chang An Avenue and cuts across Chongwen District from west to east. On both sides of the avenue are comprehensive shopping facilities with premier retail stores, food and beverage outlets which are in the process of completion. The district government is developing Guang On Street into a "Metropolitan Walk" avenue [大都會商業步行街], much like the one located at the renowned Huangfujing Street [王府井大街]. With the improvement of infrastructure facilities and increased business activities, the Group's development in Chongwen District stands to reap substantial benefits.

The Group's property development in the Chongwen District includes Beijing New World Centre Phase I and Phase II, Beijing New World Garden and other developments.

Beijing New World Centre Phase II (Tai Hua Plaza), a modern development of luxurious residential flats, consists of three 18-storey towers providing residents with a comfortable and convenient living environment.



New Face of Chongwen District, Beijing:
 Architectural Elevation of the
 Group's Development on
 Chongwenmenwai Street

The modern metropolitan style building is conveniently located next to the underground railway station. Sales of Tai Hua Plaza have been satisfactory, with more than 22,000 sq.m. sold out of a total allocation of 56,292 sq.m..

Beijing New World Garden Phase I & II is located next to the south of Tai Hua Plaza and will be developed into an upscale residential area with a total GFA of 196,423 sq.m.. A luxury clubhouse with indoor swimming pool and gym facilities will also be built. Phase I is scheduled to be completed in October 2001 and over 60% has already been sold. Phase II A comprises residential area of 60,918 sq.m. and will be completed in June 2003. The remaining phases will be developed in the next three to four years.

Other developments in Chongwen include Beijing New World Garden Phase III (Formerly known as Chongwen District Development Lot #1), Beijing New View Garden (Lot #5) and Xin Fu Garden (Lot #6). All of these developments help make up the Chongwen District Development project with a total site area of 650,949 sq.m. and total GFA of approximately 915,507 sq.m.. They will be developed in different phases into a modern residential zone within the Chongwen District.

Xin Kang Garden is located in the Beijing Economic and Technological Development Zone [北京經濟技術開發區] at the southeast of Beijing and has a site area of 101,894 sq.m.. The site will be developed into a residential area of 230,160 sq.m. comprising 19 residential buildings. Phase I, with a total residential area of 16,955 sq.m., was completed in the latter part of year 2000 and has been completely sold out. Phase II, with a total residential area of 72,317 sq.m., was launched for sale in March and over 40% has been pre-sold. The scheduled completion date is October 2001.



Lingal Garden is located at Xuedaren Village [薛大人莊], Tianzhu Town [天竺鎮] Shunyi County [順義縣], which is famous for its luxury villa and high class apartments. This project, with a total GFA of 127,400 sq.m., will be developed into a low density luxury residential area, comprising 132 villas and 15 low-rise apartments with indoor swimming pool and other amenities. The project is scheduled to be completed between 2002 and 2003.

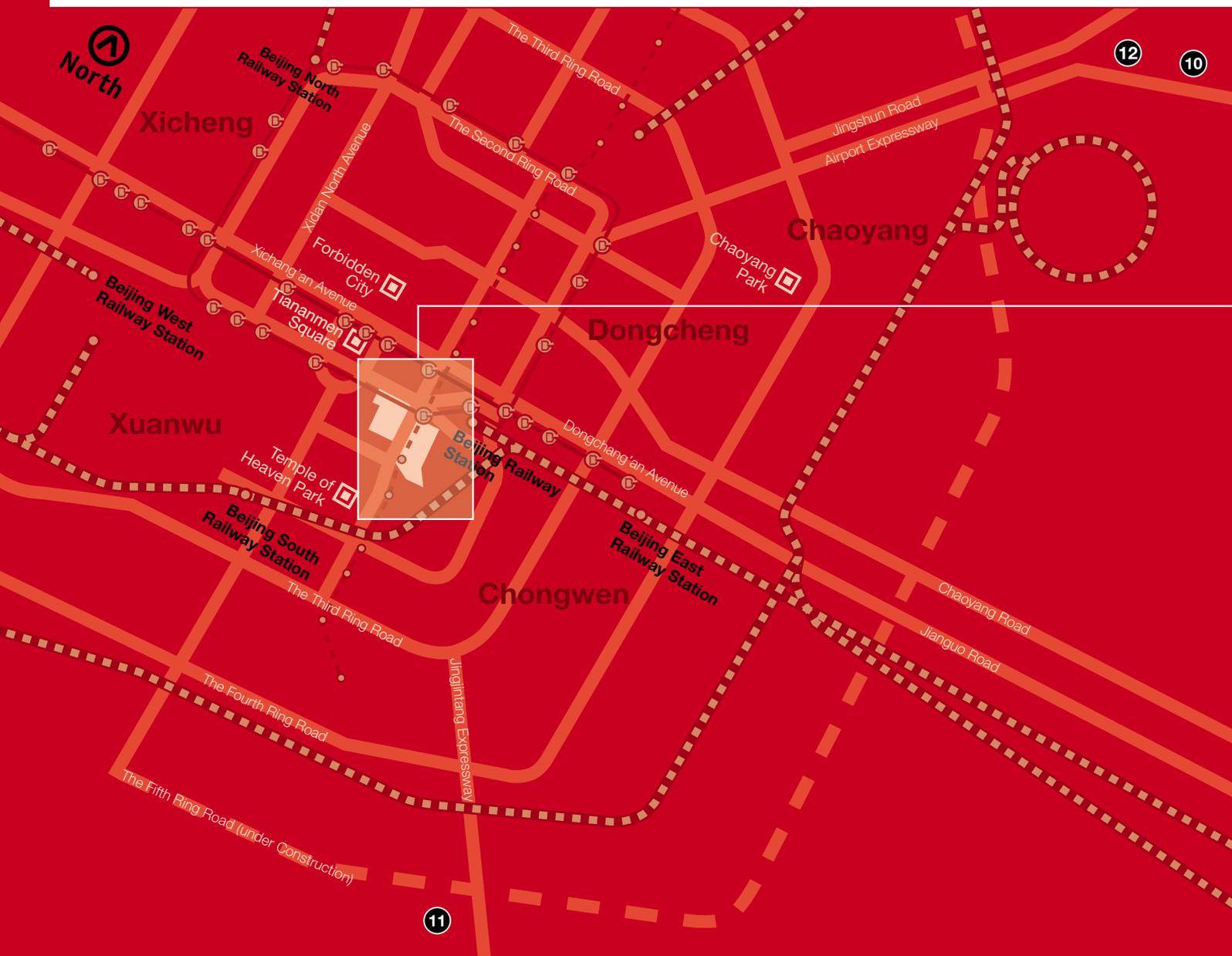
Property Investment

Beijing New World Centre Phase I has a total rentable GFA of 126,740 sq.m., comprising 74,233 sq.m. of shopping mall, 26,751 sq.m. of office space, 5,800 sq.m. of service apartments and 19,956 sq.m. of car park. The shopping mall continued to achieve a near full occupancy rate and contributed to a promising growth in rental income. Office space recorded an 83% occupancy rate at the end of the financial year.

New World Courtyard Hotel, Beijing located within Beijing New World Centre Phase I, with a total GFA of 23,988 sq.m. and 293 guest rooms, continued to record a satisfactory occupancy rate of over 80% during the year under review.

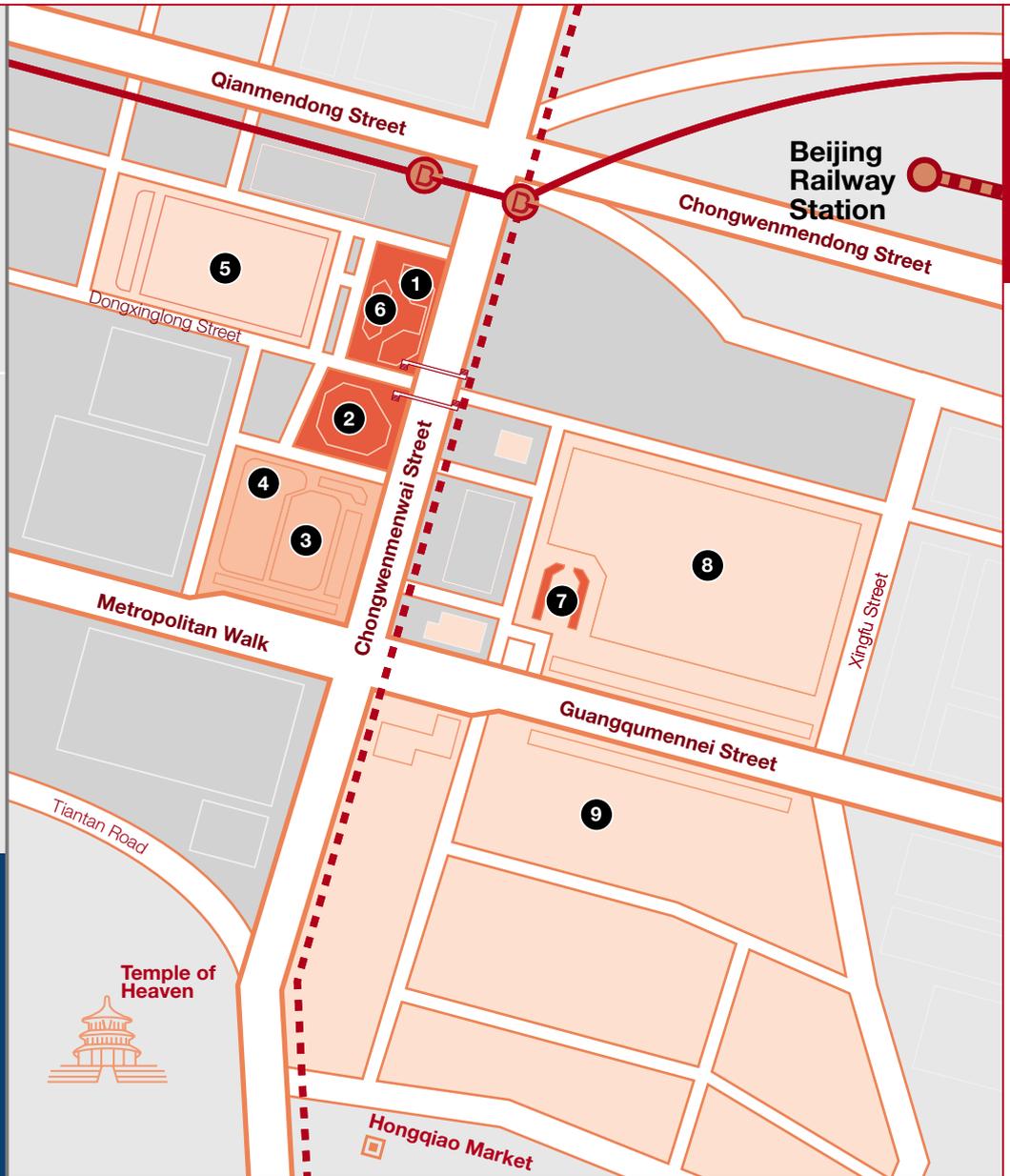
Beijing New World Centre Phase II has a total rentable GFA of 72,217 sq.m., comprising 28,314 sq.m. of service apartments and 43,903 sq.m. of shopping area. The interior renovation of the service apartments has recently been completed and leasing commenced in September 2001; leasing progress has been satisfactory so far. The shopping area is over 90% leased.

Beijing New View Garden Phase I has a total residential and commercial area of 49,478 sq.m. and 2,159 sq.m., respectively. The project was completed in October 2001, and leasing progress has been steady.



Beijing Regional Map

Beijing, the ancient capital of Middle Kingdom, has long been honoured as the centre for politics, business, education, art and culture. The modern day Beijing has subsequently flourished from such fertile beginnings to become a vibrant metropolis where communications, infrastructure, information technology and even sports have reached their highest pinnacle.



- Railway
- Metro Line
- Metro Line (under construction)
- Subway
- Completed Development
- Under Construction
- Future Development



Hongqiao Market

- ① Beijing New World Centre Phase I
- ② Beijing New World Centre Phase II
- ③ Beijing New World Garden Phase I
- ④ Beijing New World Garden Phase II
- ⑤ Beijing New World Garden Phase III
- ⑥ New World Courtyard Hotel, Beijing
- ⑦ Beijing New View Garden Phase I
- ⑧ Beijing New View Garden Remaining Phases
- ⑨ Xin Fu Garden
- ⑩ Lai Loi Garden
- ⑪ Xin Kang Garden
- ⑫ Lingal Garden



Beijing New World Centre Phase II



Beijing New World Centre Phase I



■ Four projects representing 9.8% of the total property portfolio

■ One project representing 22.0% of total completed investment properties

The Market

In the first half of 2001,

- GDP rose 12% to Rmb 83.6 billion;
- Sales of commodity real estate climbed 1.5% to 3.4 million sq.m.;
- Sales of residential units increased to 1.9 million sq.m., representing a rise of 49%;
- Sales to individuals reached 1.8 million sq.m., accounting for 98.4% of total residential sales;
- Investment in real estate developments rose 20.3% to Rmb 55.1 billion; compared to the same period last year.