

International Division

The Group had been able to maintain a steady source of recurring income from its investments in Australia and in the Philippines. These investments help to strengthen the Group's earnings and also allow it to diversify its income stream. The Group will continue selectively to look for other attractive investments when the opportunity arises.



Rum Store (left) and Elizabeth apartments (right) at Jacksons Landing, Sydney, Australia

JACKSONS LANDING

Jacksons Landing, a 12 hectare master planned residential development, is a joint venture development between the Group, Lend Lease Corporation of Australia and the Government Investment Corporation of Singapore. It is a residential-commercial development in the Pyrmont peninsula in Sydney, Australia. The project has 1,500

dwelling, including waterfront apartments, terrace houses and heritage listed buildings converted into loft apartments. It also incorporates other ancillary developments including restaurants, cafes, commercial offices, a 3.5 hectare park and open spaces with a 600 metre waterfront promenade.

Sales of Jacksons Landing has achieved satisfactory results. The Glasshouse and The Station, being the community pool and the clubhouse in the development were completed and fully operational at the year end. The Group has equity accounted for its share of profits after tax for the year of approximately HK\$10 million (2000: HK\$10 million) derived from pre-sales and sales of this project.

EDSA PROPERTIES HOLDINGS INC. ("EPHI")

The Group owns a direct equity interest of 39.12% in EPHI, a company listed on the Philippines Stock Exchange. In addition to the shares directly held, the Group had also invested in EPHI through the purchase of Philippines Deposit Receipts ("PDRs") in which the underlying shares in respect of the PDRs represent 34.76% of EPHI's issued share capital. These interests jointly account for approximately 73.88% of EPHI's total issued share capital.

EPHI holds a majority stake in the Shangri-La Plaza Mall, one of the premier shopping malls in Manila, in the Philippines, whose occupancy rate stood at 94% at the year end. The mall has worked continuously to improve its retail mix to provide customers with an ideal selection of goods and services. During the year, famous stores such as Mango, Paul Smith, California Pizza Kitchen, Kodak Express and Mercury Drugs were opened in the mall.



Enterprise Center, Manila, Philippines



Shangri-La Plaza Mall, Manila, Philippines

The renovation project of the mall is still continuing which aims at enhancing the mall's market positioning as a premier shopping complex effectively delivering an upscale retail experience. Phase 1 of the project has been completed with new shops opened at the street levels of internal avenue and Shaw Boulevard, the building exterior being improved with general mechanical and electrical works upgraded. The link from the mall to the Metro Rail Station ("MRT") was also opened with the hallway leading the Metrolink redeveloped into a new zone with shops catering for MRT commuters.

Phase 2 of the renovation program is now in progress and includes works such as the improvement of the Grand Atrium with new water features incorporating fountains and waterwalls, the installation of giant revolving doors at the Level 1 entrances and the reconfiguration of the food court to add colour and increase seating capacity.

In order to maintain and attract mall goers during the renovations, the mall continued to pursue aggressive promotions throughout the year to sustain market interest and mall patronage. Amongst the



Enterprise Center Lobby, Manila, Philippines

crowd-drawers were events and exhibits highlighting the mall's chosen advocacies of arts and culture such as film festivals from Japan, France, Germany, Great Britain and Israel, exhibitions of nativity artworks, special events for festival seasons like Chinese New Year, Halloween and Christmas etc. A "Winning Streaks Promo" was also launched in August 2001 to give away instance prizes and raffle prizes to mall customers for purchases made in the mall.

KSA Realty Corporation ("KSA"), in which EPHI holds a 23.52% interest, is also performing satisfactorily. Acquired in December 2000, KSA has made a full year contribution to the Group during the year. The main asset of KSA is Enterprise Center, a twin tower grade A office building in the Makati Central Business District in Manila in the Philippines. With its superior facilities, central location, extensive landlord provisions and an impressive mix of existing tenants, the Enterprise Center continued to command a premium over the newer buildings in the market. As at 31 December 2001, Enterprise Center was 88% leased.

As at 31 December 2001, the gross asset value of the Group's international investments was approximately HK\$1,877 million (2000: HK\$1,377 million) comprising HK\$120 million (2000: HK\$119 million) and HK\$1,757 million (2000: HK\$1,258 million) of assets in Australia and in the Philippines, respectively.