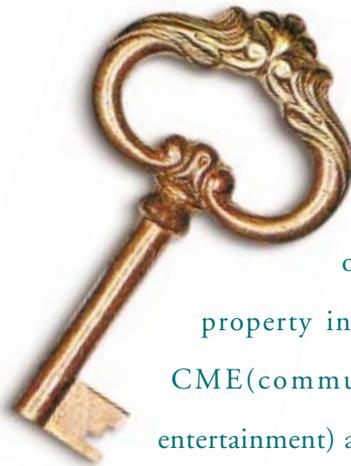


BUSINESS REVIEW

Gateway, Hong Kong



KEY TO SUCCESS



Being an actively-managed conglomerate with a well-diversified portfolio of businesses in the areas of property development, property investment, quality retail, CME (communications, media and entertainment) and logistics, the Wheelock Group has explicitly demonstrated the resilient character of its operations against the wild fluctuations of the global economy and financial markets in the past 12 months.

BUSINESS REVIEW – WHEELOCK PROPERTIES**HONG KONG**

In December 2000, Wheelock Properties launched with good market response the Rose Street project, known as The Primrose. Out of the 16 completed residential units, over half were sold after the launch at over HK\$7,000 per square foot. Apart from The Primrose, the Group also maintained its programme of property sales for the remaining units in various other developments including The Astrid, Forest Hill and My Loft.

During the year under review, the Group took an interest of 20 per cent through Realty Development in a joint venture with New World Development, Sino Land, Chinese Estates and Manhattan Garments to bid for and successfully secured the King's Park development. This residential site located



in Homantin will be developed into eight towers consisting of 700 units with a total GFA of 904,200 square feet. Demolition was completed recently in accordance with the work schedule.

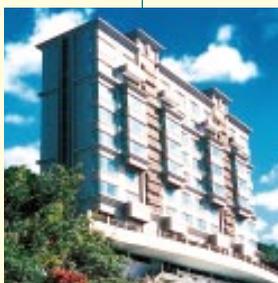
Bellagio, the Sham Tseng site, is a joint venture development equally owned by Wheelock, New Asia Realty, and the

Wharf group. Approval has been received from the Government to increase the total residential area from 2.5 million to 2.8 million square feet, a 12 per cent gain arising from the decking over of the canals adjacent to the site. The number of residential units to be built has accordingly been increased from 2,756 to 3,354. Foundation works for the whole development and pile caps works for Towers 1 to 9 were completed. Superstructure works are now in progress. Pre-sale for Phases I and II consisting of 1,704 units is targeted to take place in early 2002.

BUSINESS REVIEW – WHELOCK PROPERTIES

Completion of Phases I and II of the development is scheduled for 2003.

Sorrento, the MTRC Kowloon Station Package Two development, is equally owned by a five-member consortium comprising Wheelock, New Asia Realty, Realty Development and two Wharf



group companies. Superstructure works are now in progress and that for Phase I covering 1.2 million square feet GFA commenced in May 2000. Pre-sale for Phase I consisting of 1,272 units is planned to take place in the second half of 2001. Completion of Phase I of the development is now scheduled for the first quarter of 2003.

With the falling interest rates leading to rising disposable income, improving affordability, and attractive rental yield, a potential catalyst such

as China's entry into the WTO is likely to be able to revive the residential property market in Hong Kong. Given the Group's sizable property

portfolio, mainly represented by its interest in the Sham Tseng site, the Kowloon Station Package Two development and the King's Park Homantin project, the Group is well-

positioned to take advantage of the gradual recovery of the economy in the next several years.

SINGAPORE

In Singapore, the residential market is expected to stay soft for the rest of 2001. The outlook for office rental market remains stable with limited supply of prime office space in the near future. While many companies are imposing tighter cost-control measures in anticipation of an economic slowdown, Marco Polo Developments Limited, the Wheelock



SAFRA

MARKS & SPENCER

PAULANER BEER

Bank of America

WHELLOCK PLACE

Wheelock Place, Singapore

BUSINESS REVIEW – WHEELOCK PROPERTIES

Group's Singapore property arm, will focus on retaining tenants of good standing and continue to uphold a high standard of maintenance for Wheelock Place.

The topping-out ceremony of Ardmore Park was held on 5 May 2000 with the construction of this luxury



condominium project being ahead of schedule. Out of the total 330 units, 316 have been sold. Staged billings representing 85 per cent of the total sale price of these units sold have been billed and a substantial percentage of those have been collected. The Temporary Occupation Permit for the whole development was obtained in May 2001.

The average occupancy level of Ardmore View is currently at 97 per cent with duration of leases ranging from 12 to 24 months. Provisional

planning permission for the redevelopment of this property to 110,200 square feet GFA was obtained in February 2000. This redevelopment

will only proceed when market conditions improve.

Plans are underway to redevelop the former Marco Polo Hotel into

a freehold, luxury high-rise condominium complex with 467,600 square feet in GFA, known as "Grange Residences". Foundation works for the new development are progressing according to schedule.

The office tower, levels 3, 4 and 5 of the Wheelock Place podium in Singapore are currently 96 per cent let to quality tenants of multinational stature such as Philip Morris, Boeing, Cisco and Colgate-Palmolive.