

BUSINESS REVIEW

The Group disposed several investment properties in the PRC during the period under review. As announced before, the Group has downsized its operations in retailing/manufacturing and focused on investing in technology/e-business based projects with an aim to bring in high earnings and profits growth.

In early February 2001, the Company announced to ally as the strategic partner and technology platform for China National Real Estate Development Group (“CRED”) which is the only real estate development enterprise directly reporting to the State Council in the PRC. With over 228 member companies spreading across 198 cities all over the country, the CRED is a strong backup of the Company’s technology projects, in terms of demand, resources, expertise and network, etc. The Company has started to develop two technology projects with the CRED: “Central Procurement” and “Digital Community”. It is expected that these projects will contribute revenue and profit to the Group very soon. Besides, the Company has been approaching various strategic parties to explore any business opportunities which will be complementary to the Company’s business objective in developing as the largest and leading PRC property related technology provider.