



REVIEW OF INTERIM REPORT

The unaudited interim report of the Group for the six months ended 30th June, 2001 has been reviewed by the Audit Committee of the Company.

PROSPECTS

With PRC's successful bid to host the Olympic Games in 2008 and its imminent accession to the World Trade Organisation, the PRC market will be more liberated and roomy. It is envisaged that a huge quantity of investments will be made in infrastructure in the next few years, which will bring in numerous opportunities to the construction market. The real estate market will naturally be driven by the strong internal demand of the PRC, giving rise to attractive prospect. The Group will fully capitalise on its strengths and capture the opportunities to expand its property development and construction business, thus moving forward in its steady course.

As the economies of the PRC and Hong Kong becomes closely linked, it is of no doubt that Hong Kong can benefit from the strong growth in the mainland. In the first half of the year when interest rates were lowered repeatedly, improvement could be seen both in the business conditions of Hong Kong and in the financing of home mortgages. Both of these factors helped in boosting the internal spending of Hong Kong. As such, one would expect that Hong Kong will gradually resume its rapid economic growth.

At present, the Group has sufficient funding and financially sound.

On behalf of the Board, I would like to take this opportunity to express our most sincere gratefulness to the shareholders' support and the hearty assistance of various sectors of the community, as well as the dedicated service rendered by the staff of the Group.

Sun Wen Jie

Chairman

Hong Kong, 10th September, 2001