



REVIEW OF OPERATION

Property

Even the Hong Kong property market was still lacking in strength, the occupancy rate of the Austin Tower, Tsimshatsui maintained at over 95%. The rental income for the first six months amounted to HK\$2,068,000, which was increased by 3% compared with the same period last year. On the other hand, the PRC properties held for sales will be sold until the market price is improved following the entry of the PRC into the World Trade Organization.

Hotel

As to the hotel operations, the occupancy rate of Guilin Sightseeing Hotel continued to maintain at over 75%. For the six months ended 30th June, 2001, it reported a turnover of HK\$10,587,000 and a profit of HK\$1,952,000, which was increased by 13% and 573% compared with the same period last year. The renovation project of the Hotel is in the final stage and the hotel has applied for a review of its service grading. The Group believes that the revenue of the Hotel will be enhanced after the approval of the grading review.