

BUSINESS REVIEW AND PROSPECTS

For the six months ended October 31, 2001, the Group recorded a loss of HK\$1,586,000 compared to a loss of HK\$3,193,000 for the six months ended October 31, 2000. This is primarily due to recognition of unrealized loss of HK\$1,573,000 for investments listed overseas in the previous period compared to HK\$12,000 recognized in this period. Lower finance costs were also recorded as a result of lower interest rate. The Group continued to derive a stable level of rental income from investment properties.

There had been no significant changes in the Group's performance since the latest annual report for year ended April 30, 2001. There were also no acquisitions and disposals of subsidiaries and associates within the Group during the six months ended October 31, 2001.

The Management believes that the Group will continue to have an adequate working capital. There is no significant cash requirement in the year to April 30, 2002. As of October 31, 2001, the Group had outstanding bank loan of approximately HK\$17.5 million (2000: HK\$18.3 million). Such bank loan was secured by certain of the investment properties and leasehold land and buildings of the Group located in Hong Kong with a net book value of approximately HK\$44 million (2000: HK\$44 million).

The gearing ratio for the Group as at 31 October 2001 is 19% (2000: 19%) which is calculated based on the total bank loan to the total shareholders' equity of the Group.

The Group's principal business activities have mainly consisted of property investments. In view of the thin turnover and the continuous losses for the previous years, the Directors will actively seek other new investment opportunities that will improve profitability and to provide growth for the Group.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended October 31, 2001 (six months ended October 31, 2000: Nil).