

BUSINESS REVIEW

The contribution, during the period under review, from our associated company registered a double digit increase compared to that of the same period last year, and that from the principal activities of the Company was marginal.

Our associated companies, Hong Kong Movie City Company Limited and Hong Kong Digital Movie City Company Limited, have reached agreement in principle with the District Lands Office, Sai Kung for surrender and regrant of Town Lot Nos. 67 and 81 for a comprehensive development of a state-of-the-art studios and ancillary facilities.

The District Planning Office, Sai Kung, has agreed in principle for the redevelopment of the Clearwater Bay Road Site. The process of public consultation is yet in progress and the Directors presently take the view that it is premature to determine the extent and character of the redevelopment.

The Group had no significant external borrowing and consequently none of the Group Assets are subject to any charge. There was no acquisition or disposal of subsidiaries or associated companies in the course of the financial period.