

## ***BUSINESS REVIEW***

The Group's major investment properties have been put under receivership by its mortgagee banks since March in this year. Certain investment properties under receivership have been force-sold during the period to settle a portion of the indebtedness outstanding to relevant banks. Rental income from investment properties for the six months ended 30th September 2001 was approximately HK\$4.23 million, representing a decrease of 32.4% in comparison to the corresponding period.

The hotel operation in Xiamen Plaza Hotel became the major business operation sustained by the Group now, though it has encountered the most difficult time with a recorded decline of revenue to approximately HK\$10.16 million during the period. The average room rate obtained at the hotel was approximately RMB252 and the average room occupancy was 50.5% as compared to RMB269 and 55.3% respectively for the corresponding period in 2000.

The Group's business activities have been consolidating. The Group's operations will be sustained in a minimal scale to prepare for its future revival after the restructuring process.