

PROSPECTS

Despite some signs of an improvement in trade activities resulting mainly from re-export in the beginning of the year, the local economy remains slow with depressed retail sales and rising unemployment rate. Coupled with the weak economic growth in the United States, the economic outlook is uncertain.

Home buyers are still lacking in confidence that property prices will turn around in the near future. Notwithstanding the negative background, pre-sale of residential units of Metro Harbour View is proceeding relatively well. It is anticipated that barring unforeseen circumstances, there will be a significant increase in the earnings of the Group in the second half of the year, resulting in a satisfactory increase for the year as a whole.