

## Financial Review

Despite the loss incurred during the period, the financial position of the Group remains healthy. As at 30 June 2003, the total shareholders fund of the Group amounted to HK\$526,248,000, compared to HK\$538,726,000 as at 31 December 2002. The debt ratio (based on the sum of current debt and long-term debt over the equity) and current ratio of the Group as at 30 June 2003 were 0.32 and 0.72 respectively while the ratio as at 31 December 2002 were 0.31 and 0.76 respectively.

Total bank and other borrowings amounted to HK\$167,313,000, and were mainly secured by legal charge on the Group's land and buildings, investment properties, time deposits and other forms of charges.

The Group's income and expenditure were mainly dominated in HKD, RMB, SGD and MYR. The Group's business operation and investment of the Group are translated in Hong Kong, the PRC, Singapore and Malaysia and its revenue and expenditure in HKD, RMB, SGD and MYR.

## Prospects

As a leading conglomerate maintaining a diversified investment portfolio across Malaysia, the PRC and Hong Kong, the Group's focus for the year will be to leverage the existing asset base to re-establish steady investment income and more importantly, to improve shareholder returns. The continuing robust performance of the PRC's economy, together with gradually improving conditions in Hong Kong and Malaysia are expected to set the Group well on track to succeed in its core business of property development.

Notwithstanding the retreat in our operating results, the Group's business infrastructure remained sound. Our balance sheet also remains healthy. In addition, the Group continued to boast a pool of talent with vast experience in their respective business fields. These assets form the crucial foundations in improving the Group's performance in the future. The management will continue pursue investment opportunities associated with our existed core business. On the other hand, the Group will strive to further strengthen & explore the growth potential of existing operations as and when they arise.