

## **INTERIM DIVIDEND**

The Directors of the Company do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2003 (30.6.2002: Nil).

## **BUSINESS REVIEW**

The Group recorded a better performance during the period under review than the corresponding period in 2002 despite the stagnant global economic climate. During the period, the Group registered a substantial growth in consolidated turnover by more than 17 times over the same period last year to approximately HK\$65.5 million. Loss for the period decreased by 47.5% to HK\$14.2 million.

During the period, the Group had undergone a series of streamlining exercise whereby some non-core, non-performing businesses were disposed of to free the Group from future potential commitments and liabilities. On the expansion front, the Group acquired a hotel resort in the Hubei Province, PRC in May 2003, yet no contribution had been recorded for the period.

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## **PROSPECTS**

The Group's performance last year was plagued by various unfavourable factors. Nevertheless, their negative effects have been diminishing. With positive economic signs and the global recovery of consumer confidence, the Group believes that the operating environment in the rest of the year would be more stable and the performance of the Group would improve. While the Group will continue strengthening the management of its existing projects, it will also continue reassessing its strategy responsively to explore investment targets so as to capture opportunities when the market revives.

Also as part of the aforesaid streamlining exercise, the Company entered into an agreement in August 2003 to dispose of 20% of its shareholding in a wholly owned subsidiary which holds a skiing resort in Heilongjiang, together with an option for the purchaser to acquire the remaining 80% of the shareholding. The restructuring moves would release our resources for more concentration on more promising areas, the PRC property development market in particular. With the satisfactory performance of the recent sale our Fairyoung Building in Shanghai, and the improving business environment as a whole, the Group is positive in the year to come.