

17. CAPITAL COMMITMENTS

As at 30 September 2003, the Group did not have any outstanding capital commitments.

18. POST BALANCE SHEET EVENT

On 29 November 2003, the Group entered into an agreement with an independent third party to dispose of an investment property in Hong Kong with a valuation of HK\$82,000,000 as at 31 March 2003 for a consideration of HK\$63,000,000. The disposal constitutes a major transaction of the Company under the Listing Rules and is conditional on approval by the shareholders of the Company at extraordinary general meeting of the Company to be convened for the purpose of, among other matters, approving the Disposal Agreement.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend.

MANAGEMENT DISCUSSION AND ANALYSIS**Results**

For the six months ended 30 September 2003 ('the period'), the interim consolidated loss attributable to shareholders was HK\$22,468,000 compared with the loss of HK\$17,067,000 for the corresponding period in 2002.

The loss for the period was mainly attributable to an impairment loss of HK\$19,000,000 as a result of a disposal agreement entered on 29 November, 2003 to sell one of our investment property to an independent third party. Excluding the effect of property disposal net loss during the period was approximately HK\$3,468,000.

The Group recorded a turnover of HK\$58,238,000 for the period as compared to HK\$66,287,000 for the corresponding period of 2002. The decrease in turnover was due to termination of unprofitable distribution business.

Administrative and other operating expenses decreased significantly during the period under review was contributed to the Group's aggressive implementation of strict financial control and cost cutting program.