

INTERIM DIVIDEND

The Directors resolved not to declare an interim dividend for the six months ended 30 September 2003 (six months ended 30.9.2002: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2003, the Group's total bank indebtedness was approximately HK\$156 million (31.3.2003: HK\$203 million) and the gearing ratio (defined as the Group's total bank borrowings divided by its total assets) was 50%.

BUSINESS REVIEW AND PROSPECTS

For the six months ended 30 September 2003, the Group had incurred loss of approximately HK\$15 million as compared with the loss of approximately HK\$30 million during the previous corresponding period. The reduction in loss was attributed mainly to the decrease in the provision for loss relating to disposals of the Group's properties during the period under review.

For the period ended 30 September 2003, turnover of the Group was approximately HK\$94 million, represented an increase of 32% as compared with the turnover of approximately HK\$71 million in the last corresponding period. Proceeds from sale of properties was HK\$87 million, accounting for approximately 92% of the total turnover, representing an increase of 48% as compared with the figure of approximately HK\$59 million in the preceding corresponding period. Rental income which accounted for approximately 6% of the total turnover of the current period was down from approximately HK\$9.9 million to approximately HK\$5.5 million, representing a decrease of 44% as compared with the last corresponding period. Building management fees contributed approximately HK\$1.5 million or only 2% of the total turnover, representing a decline of 39% as compared with last period of approximately HK\$2.5 million.

In consistent with the Group's policy, the Group had continued to dispose of certain of its investment properties during the period under review to reduce its overall liabilities to improve its liquidity. In April 2003, a wholly owned subsidiary of the Company entered into a legally binding provisional agreement with an independent third party to sell an investment property of the Group for a total consideration of HK\$61 million. The disposal was