

Interim Report 2000 / 2001

Business Review

In the first half of the current financial year, the Group's turnover was recorded at HK\$83.1 million, showing a decrease of 35% from that of the corresponding period in the previous financial year. Also, the unaudited consolidated net profit of the Group after taxation and minority interests was recorded at HK\$39.5 million and showed an increase of 16%. In the first half of this financial year, profits of the Group were generated mainly from sale of property development units completed by the Group, rental income from investment properties in Beijing and Shanghai as well as profit contribution from the "An Ju" housing project in Tianjin.

During the period under review, the Luotao Villa of Fanghua Garden, Phase VII of the Lexi New City project located in Panyu, Guangdong in which your Group holds a 25% interest was completed, adding approximately 280,000 sq.ft. in gross floor area attributable to the Group. During the period under review, the Group was also actively engaged in preparation for pre-sale launch of the Heng Bao Garden development project in Guangzhou. Situated right on top of the Changshou Road Station of the Guangzhou Metro Line One, this development is currently Guangzhou's only high-end, intelligent-built, residential and retail shopping development atop a Guangzhou Metro Railway Station, and comprises seven 31-storey residential towers and five levels of shops, providing a total gross floor area of 2.24 million sq.ft.

The property leasing business of the Group showed an overall improvement while registering an increasing number of tenants of Beijing Henderson Centre. With the inclusion of attributable gross floor area of approximately 650,000 sq.ft. of the shopping arcade and residential units of the Grand Gateway in Shanghai, the Group's investment property portfolio amounted to approximately 1.64 million sq.ft. in attributable gross floor area as at the end of the period under review.

The Group has also taken measures on various fronts in the technology field with the aim to secure good investment arising from Mainland China's forthcoming entry to the World Trade Organisation ("WTO").