

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2006, the long term bank borrowings and the non-current assets of the Group amounted respectively to approximately HK\$162,524,000 (31 December 2005: HK\$153,469,000) and HK\$649,783,000 (31 December 2005: HK\$645,744,000), and the percentage of the former to the latter was 25.05% (31 December 2005: 23.77%).

The Group's borrowings were denominated in HK dollars, US dollars and Renminbi. As at 30 June 2006, the Group's utilized banking facilities amounted to approximately HK\$673,571,000 (31 December 2005: HK\$366,978,000), and the Group has available but not yet utilized banking facilities amounting to approximately HK\$71 million (31 December 2005: HK\$239 million). The aforesaid utilized and available facilities were secured by the following pledged assets: certain leasehold land and land use rights with an aggregate book value of HK\$10,546,000 (31 December 2005: HK\$10,552,000), property, plant and equipment of HK\$6,086,000 (31 December 2005: HK\$6,188,000), investment properties of HK\$563,906,000 (31 December 2005: HK\$563,906,000), properties held for sale of HK\$57,217,000 (31 December 2005: HK\$54,632,000).

CORPORATE GOVERNANCE

The Company complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the period under review.

The Company adopts as its own code of conduct regarding directors' securities transactions the Model Code for Securities Transactions by Directors of Listed Issuers ("the Model Code") as set out in Appendix 10 of the Listing Rules. On specific enquiries made, all directors have confirmed that, in respect of the accounting period covered by the interim report, they have complied with the required standard contained in the Model Code regarding directors' securities transactions.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2006, the total number of employees of the Group was about 111 (2005: 112) with staff cost for the six months then ended amounting to approximately HK\$7,725,000 (2005: HK\$4,920,000). Remuneration packages are structured to take into account the comparable level of the market.

On behalf of the Board
John Ming Tak HO
Managing Director

Hong Kong, 22 September 2006