

The board of directors of Star East Holdings Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2002, together with comparative figures for the corresponding period in 2001. The interim results have been reviewed by the auditors, Deloitte Touche Tohmatsu in accordance with the Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Society of Accountants and the Audit Committee of the Company.

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2002

	Notes	Six months ended 30th September,	
		2002 HK\$'000 (unaudited)	2001 HK\$'000 (unaudited)
Turnover	3	61,520	84,077
Cost of sales		(22,440)	(65,923)
Direct expenses		(31,650)	(54,370)
		<u>7,430</u>	<u>(36,216)</u>
Other operating income		6,076	11,140
Unrealised gain on other investments		12,992	615
Distribution costs		(2,701)	(5,613)
Administrative expenses		(30,396)	(42,469)
Allowances for loans and interest receivables		(16,464)	-
Allowance for properties held for resale		(10,000)	-
Deficit arising on revaluation of investment properties		(2,100)	(1,700)
Impairment loss recognised in respect of property, plant and equipment		-	(33,245)
Loss attributable to properties held for development		-	(144)
		<u>(35,163)</u>	<u>(107,632)</u>
Loss from operations	5	(35,163)	(107,632)
Finance costs	6	(5,222)	(7,605)
Impairment loss recognised in respect of investments in securities		(22,000)	(52,142)
Gain on deconsolidation and disposal of interests in subsidiaries		12,831	-
Gain on dilution of interest in an associate	7	3,810	-
Recovery of (allowances for) amounts due from jointly controlled entities		1,386	(4,962)
Allowances for amounts due from associates		(8,154)	(25,397)
Share of results of associates		(20,439)	(1,183)
Share of results of jointly controlled entities		(3,712)	(28,112)
		<u>(76,663)</u>	<u>(227,033)</u>
Loss before taxation		(76,663)	(227,033)
Taxation	8	(51)	(233)
		<u>(76,714)</u>	<u>(227,266)</u>
Loss before minority interests		(76,714)	(227,266)
Minority interests		34	241
		<u>(76,680)</u>	<u>(227,025)</u>
Net loss for the period		<u>(76,680)</u>	<u>(227,025)</u>
Loss per ordinary share – Basic	9	<u>HK\$(0.03)</u>	<u>HK\$(0.18)</u>