

## **Operating Result**

The Group's unaudited loss for the six month ended 30th September 2000 was HK\$ 54,030,000 (1999: HK\$124,785,000) representing a decrease of 57% over the corresponding period last year. The loss was mainly attributable to the operating losses of certain subsidiaries in the PRC (such subsidiaries collectively called the "Former members of the Group") which had been disposed of by the Group to an ex-director in July 2000, and the disposal loss arising thereby. Former members of the Group incurred a total loss of HK\$10 million or 19% of the Group's net loss for the six months period end. Upon completion of disposal of the Former members of the Group, the Group recorded a loss on disposal of about HK\$38 million. The remaining businesses of the Group accounted for only about HK\$6 million loss in the period which had significantly decreased as compared to last year.