

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1 cent per share for the year ending 31 December 2001 (2000: 1 cent) payable to shareholders registered on 27 September 2001. Dividend warrants will be posted to shareholders by 5 October 2001.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 25 September 2001 to 27 September 2001, both days inclusive, during which period no transfer of shares will be registered. To ensure their entitlement to the interim dividend, shareholders are reminded to lodge their transfers not later than 4:00 p.m. on Monday, 24 September 2001 with Standard Registrars Limited, 5/F., Wing On Centre, 111 Connaught Road Central, Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

Results for the Period

The Group recorded HK\$18 million turnover in the six months ended 30 June 2001, a 95% decrease as compared with the last corresponding period. The decrease was largely attributable to the decrease in sales of listed investments.

Loss attributable to shareholders was HK\$133 million, an increase of HK\$122 million as compared with loss of HK\$11 million in the last corresponding period. The increase was mainly due to the transfer of revaluation deficit from the long-term investment revaluation reserve to the profit and loss account upon impairment in value of listed investments and the decrease in profit from sales of listed investments.

Financial Resources and Liquidity

The Group's total borrowings were HK\$468 million at the period end. All the borrowings will mature within one year after balance sheet date. The borrowings were mainly for the acquisition of the unconsolidated subsidiary Argent Holdings Limited ("Argent"). The Group has entered into an option agreement with a third party to dispose of Argent for a consideration of US\$112,094,845. The borrowings will be repaid upon disposal of Argent.

The Group's bank borrowings were in US dollars. With respect to the interest rate structure of the borrowings, the interest rates were at 1.75% and 1.5% above Singapore Inter-bank Offer Rate.