

RESULTS

Turnover of the Group for the period under review was HK\$30.0 million compared to HK\$13.8 million in year 2000. It was an increase of approximately 117.4 % from last year. Loss from operation was HK\$67.0 million whereas it was of HK\$20.3 million last year. Loss attributable to shareholders for the current period was HK\$92.4 million compared to profit of HK\$34.2 million in year 2000 which was mainly due to a gain substained from restructuring of debts. Loss per share for the period was HK\$0.63 cents per share.

BUSINESS REVIEW

For the period under review, the Group had turnover of HK\$30.0 million from which the Food and Beverage Division ("F&B Operation") generated HK\$9.0 million and the Internet-Related Division ("IT Operation") & Bio-Technology Division ("BioTech Operation") collectively generated HK\$21.0 million. It was in total an increase of 117% when compared to the overall turnover of last year.

F&B Operation

The operating result of this operation has recorded 40% decrease in turnover and sustained an operating loss of HK\$9.6 million. This was mainly due to the shrinkage in market share from competition with small enterprises. Increased finance costs also contributed this year's unfavourable result.

IT Operation

Turnover in this division has generated HK\$18.2 million. Sale of Quickionary products and revenue from stock and financial information subscription made up the contribution. Certain IT projects which the Group invested in early this financial period have been reconsidered in terms of immediate future benefit to the Group and hence the board has either postponed further capital injection or make provisions for these IT investments.

BioTech Operation

Qilisheng a product manufactured and marketed by one of the wholly owned subsidiary of the Group, is a health product embedded with the latest technology of MAB ("Micro Alternating Biotechnology"). It was launched in March this financial year and was being retailed in one of the prominent chain stores. During the period, Qilisheng has generated turnover of HK\$0.3 million.

BUSINESS OUTLOOK

At the closure of this financial period, the board has re-examined certain investment projects in the PRC under the present economic situation and sentiments. Core business however will remain in the existing operations and the Group expects to streamline these operations and set up strategic policies in line with existing and persisting global economic climate for these projects.

CHAIRMAN'S STATEMENT

F&B Operation

The management is confident of this operation and will be trying to maintain the same momentum for the benefit of the Group.

Bio-Tech Operation

The management of the Group was satisfied with the Qilisheng and has reported some encouraging results. With the latest technology by means of MAB, the Group is developing other health products. The first one will be the product for trimming and the other the Group intends to develop is for alcoholic detoxication. The Management believes the health products with MAB technology will be one of the main operation for the Group for the years to come. Other than the health products in this operation, the Group is developing a project of purifying contaminated water which has been a concern of an environmental issue. A bio-technology laboratory was set up in Shenzhen to enhance the testing procedures and field works.

IT Operation

Business of DNA ("Digital Network Alerting") System will be one of the main projects in IT Operation for the coming years. This alerting system helps the security of transactions by credit card payments through SMS ("Short Message System"). Given the widely used of credit card payment on-line and off-line, security is the most important consideration by consumers. Infrastructures have already been set up with most of the telecommunication operators to enhance the networking of this service.

Another major businesses in this operation are WinFCS which provides instant security market information plus other financial information, and Quickionary which is a pen size dictionary. A series of promotional plans are being considered to assist the advanced version of these two products. The management is confident these products will generate a promising return for the Group.

Other investment projects in IT Operation includes a software development in Chinese Star Cyber Technology Holdings Limited ("CSCTHL") which the Group holds 16% equity interest and a B-B platform for an on-line direct trading and auction on sugar and wine dealings in the PRC. For the investment in Chinese software through CSCTHL, the Group understands some global conglomerates have expressed their interest in this technology and hopefully promising investment return is expected for the coming years.

PURCHASE, REDEEM OR SELL THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during twelve months ended 30 June 2001.

CODE OF BEST PRACTICE

None of the Directors are aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by results announcement in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited, except that the non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation in Annual General Meeting in accordance with the Company's Bye-laws.

On behalf of the Board

Wong Kam Fu, Nelson

Chairman

Hong Kong, 30 November 2001