

MANAGEMENT DISCUSSIONS ON RESULTS

For the six months ended 30th September, 2001, turnover decreased by 49.0% to HK\$36.6 million (2000: HK\$71.7 million) and gross profit decreased by 20.7% to HK\$18.2 million (2000: HK\$22.9 million) compared with that of last corresponding period. The decrease in gross profit was mainly attributable to reduction in income from investment properties as well as reduced interest income following the cuts in interest rates prevailed during the period under review. Loss from operations reduced by 84.2% to HK\$2.2 million (2000: HK\$14.1 million), as a result of improved results from the rationalized Information Technology Division and significant reduction in provision for loss on share investment during the period under review. Net loss attributable to shareholders was HK\$10.1 million compared with a net loss of HK\$17.9 million recorded during the last corresponding period.