

## PROSPECTS

Subsequent to the period end date, the reduction of the par value of the Company's ordinary shares from HK\$0.10 each to HK\$0.01 each (the "Capital Reduction") was approved by the Grand Court of the Cayman Islands and the listing committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 November 2001 (Cayman time) and 15 November 2001 respectively. The court order confirming the Capital Reduction was also registered at the Registrar of Companies in the Cayman Islands on 15 November 2001 (Cayman time). Accordingly, the Capital Reduction has become effective on 15 November 2001 (Cayman time).

Of the Company's warrant carrying the rights to subscribe for share of HK\$0.01 each in the Company on or before 28 December 2001 at a subscription price of HK\$0.24 per share, the subscription rights will expire at the close of business on 28 December 2001 and the listing of which will be withdrawn thereafter.

The global economic recession, especially in the US and the local economy, has rippling outward and in all directions. The Group expects that there may be further downward corrections in the performance of the Group's investment portfolio. With the PRC's official admission to the World Trade Organisation and the winning of hosting the Olympic Games in 2008, the Group will cautiously selective in looking for investment opportunities in the PRC market and, at the same time, exercise a relentless cost control over its business in order to be fully equipped to meet the challenges ahead.