

RESULTS

Turnover of the Group for the six months ended 31st December, 2001 was HK\$14,439,000, representing a decrease of 24% over the corresponding period in 2000. Loss for the period amounted to HK\$4,658,000.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31st December, 2001.

BUSINESS REVIEW AND PROSPECTS

The Group continued to record an operating loss for the six months period ended 31st December, 2001. Turnover for the period was HK\$14,439,000, representing a decrease in sales of 24% over the corresponding period in 2000. However, the loss incurred in the period was HK\$4,658,000, which represents an increase 25% over the previous period. The loss for that period was 3,717,000.

The business of manufacture and trading of telephone set is not profitable. The Board is now identifying profit making business in particular, the development of high value-added telecommunication software linking to the telephone and computer system. In addition, the strong networks of the major shareholder in China shall enhance the Group's business opportunities.

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FINANCIAL RESOURCES

The Group obtained new funds by way of the Placing and Subscription in late 2001. The proceeds from Subscription were used for general working capital purposes. The Group was free of borrowings by the end of December 2001.

DIRECTOR'S INTERESTS IN SHARES

As at 31st December, 2001 none of the Directors or the chief executive, or their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance").