

FINANCIAL RESULTS

The Board of Directors of the Company (the "Directors") announces that the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 30 June 2001 recording a loss of approximately HK\$4.2 million (2000: HK\$299.5 million).

BUSINESS REVIEW

The Board of Directors of the Company (the "Directors") announces that the audited consolidate results of the Company and its subsidiaries (collectively the "Group") for the year ended 30 June 2001 recording a loss attributable to shareholders of approximately HK\$4.2 million. The Loss was mainly arose from the provision of permanent diminution in value of long term investment acquired during the year.

CONVENIENT CHAIN - STORES

On 26 April 2001, the Group acquired from Goldhill Holdings Philippines, Inc. ("Goldhill Holdings") 100% equity interest of Goldhill Merchandising, Inc. ("Goldhill Merchandising") and shareholders' loan in the sum of 58 million pesos (equivalent to approximately HK\$9 million) owed by Goldhill Merchandising to Goldhill Holdings. The consideration of HK\$50 million was satisfied as to HK\$43 million by the issue of 4,300 million fully paid shares at HK\$0.01 per share and the balance of HK\$7 million by the issue of a transferable promissory note in the amount of HK\$7 million payable without interest on or before the date falling 6 months after completion of the acquisition.

財務業績

本公司董事會（「董事會」）公佈本公司及其附屬公司（統稱「本集團」）截至二零零一年六月三十日止年度之經審核綜合業績，錄得虧損約4,200,000港元（二零零零年：299,500,000港元）。

業務回顧

本公司董事會（「董事會」）公佈本公司及其附屬公司（統稱「本集團」）截至二零零一年六月三十日止年度之經審核綜合業績，錄得股東應佔虧損約4,200,000港元。此項虧損主要由年內收購之長期投資永久減值作出撥備所致。

連鎖便利店

二零零一年四月二十六日，本集團向 Goldhill Holdings Philippines, Inc.（「Goldhill Holdings」）收購 Goldhill Merchandising, Inc.（「Goldhill Merchandising」）100%股權及 Goldhill Holdings 借予 Goldhill Merchandising 之股東貸款總值 58,000,000 披索（約相等於 9,000,000 港元）。代價 50,000,000 港元以發行 4,300,000,000 股每股發行價 0.01 港元共 43,000,000 港元之繳足股份支付，餘額 7,000,000 港元則於收購完成滿六個月當日或之前以發行價值 7,000,000 港元之免息應付可轉讓期票之方式支付。

CONVENIENT CHAIN – STORES (continued)

The principal business of Goldhill Merchandising is the provision of retail premises, leasing facilities and equipment and exclusive wholesale supply of merchandise to 16 convenient stores in Philippines.

The Group had appointed an independent third party as a manger of the Goldhill Merchandising for 2 years for an underwriting income of 30,000,000 pesos (equivalent to approximately HK\$5 million) each year. The underwriting income of HK\$5 million for the first year had been received by the Company.

A Goodwill of approximately HK\$40 million was generated on acquisition of Goldhill Merchandising, the Group adopts to amortise the goodwill over a period of 10 years.

MANUFACTURING AND TRADING OF MULTI-MEDIA AND DIGITAL COMMUNICATION PRODUCTS

Due to a slow down of the world economy and the abundant supply of multi-media and digital communication products in the past years. The manufacturing and trading of multi-media and digital communication products has recorded a loss of approximately HK\$1.2 million despite recording a turnover of approximately HK\$40 million.

CONSTRUCTION

During the year under review, the Group had not involved in any new contract but continued its efforts in completing all jobs in hand amiably with both employers and sub-contractors. During these exercises some indifferences have occurred with all parties concerned, nevertheless we are aiming to finalise all matters in its near future with minimum adverse effort on its company.

連鎖便利店 (續)

Goldhill Merchandising之主要業務為向十六間位於菲律賓之便利店提供零售場所、租借設施及設備，及獨家批發供應商品。

本集團已委任一名獨立第三者擔任Goldhill Merchandising之經理，為期兩年，本集團每年可獲包銷收入30,000,000披索（約相等於5,000,000港元），本公司已收取首年之包銷收入5,000,000港元。

收購Goldhill Merchandising產生商譽約40,000,000港元，本集團將按10年攤銷商譽。

製造及買賣多媒體及數碼通訊產品

鑒於全球經濟放緩，多媒體及數碼通訊產品於過去數年間出現供過於求現象。儘管錄得營業額約40,000,000港元，製造及買賣多媒體及數碼通訊產品仍錄得虧損約1,200,000港元。

建築工程

於回顧年內，本集團並無訂立任何新合約，僅繼續與僱主及次承建商緊密合作，致力完成所有手頭上之工作。於合作期間，有關各方均出現分歧，然而，我們即將安頓所有事宜，務求對本公司造成之不利影響減至最低。

LONG TERM INVESTMENTS

(a) On 21 August 2000, an agreement (the "NCT Agreement") was entered into between the Company and Cyber Strategy Technology Limited ("CSL"), an independent third party and a holding company of New Conceptual Technology Limited ("NCT"), a company incorporate in the British Virgin Islands. Pursuant to the NCT Agreement, the Company agreed to acquire 3.4% interest in NCT from CSL at a consideration of approximately HK\$37.5 million. The consideration of HK\$37.5 million was satisfied by the issue of approximately 375 million new shares in the Company at HK\$0.10 per share.

On 15 September 2000, an agreement was entered between the Company and CSL that the Company agreed to purchase an additional 1.25% interest in NCT from CSL at a consideration of HK\$13,500,000.

The sole asset of NCT is 100% interests in Century Technology ("Century"), a wholly foreign owned enterprise in the PRC. Century's principal asset is a 51% interest in a PRC joint venture ("PRC JV"). The principal activities of NCT, through Century and the PRC JV, are the provision of after-school training, extra-curricular information services, e-commerce and musical and art work.

長期投資

(a) 二零零零年八月二十一日，本公司與於英屬處女群島註冊成立公司之一名獨立第三者 Cyber Strategy Technology Limited (「CSL」) 訂立一項協議 (「NCT協議」)。Cyber Strategy Technology Limited 為 New Conceptual Technology Limited (「NCT」) 之控股公司。根據 NCT 協議，本公司同意以約 37,500,000 港元之代價向 CSL 收購 NCT 3.4% 權益。代價將以按每股 0.10 港元之價格發行約 375,000,000 股本公司新股之方式支付。

二零零零年九月十五日，本公司與 CSL 訂立一項協議，本公司同意以代價 13,500,000 港元向 CSL 額外收購 NCT 1.25% 權益。

NCT 之唯一一項資產為中國全外資企業 Century Technology (「Century」) 全部權益。Century 之主要資產為擁有一間中國合營公司 (「中國合營」) 之 51% 權益。NCT 之主要業務為透過 Century 及中國合營提供課餘培訓、課外活動資訊服務、電子商貿、音樂及藝術課程。

LONG TERM INVESTMENTS (continued)

- (b) On 28 August 2000, an agreement (the "Victory Agreement") was entered among E-Development Limited ("E-Dev"), a wholly-owned subsidiary of the Company, HK Weaver Group Limited ("HK Weaver"), Mr. Wong Chi Keung ("Mr. Wong") and the Company. Both HK Weaver and Mr. Wong were independent third parties and shareholders of Victory Tech Investment Limited ("Victory Tech"). Pursuant to the Victory Agreement, E-Dev agreed to acquire a 7.97% and a 1.99% interest in Victory Tech from HK Weaver and Mr. Wong, respectively, for an aggregate consideration of approximately HK\$24.9 million. The consideration was satisfied by the issue of approximately 249 million new shares in the Company at HK\$0.10 per share. E-Dev acquired 10% interests in Victory Tech at a consideration of approximately HK\$25 million in June 2000. Following the completion of the Victory Agreement, E-Dev had interests in the equity of Victory Tech to the extent of approximately 19.96%.

Victory Tech is engaged in the development and operation of websites. A provision of HK\$25 million was made against this investment as at year end date due to the slow down of the website operation business.

長期投資 (續)

- (b) 二零零零年八月二十八日，本公司之全資附屬公司 E-Development Limited (「E-Dev」)、HK Weaver Group Limited (「HK Weaver」)、黃志強先生 (「黃先生」) 與本公司訂立協議 (「科進協議」)。HK Weaver 及黃先生均為獨立第三者，亦為科進投資有限公司 (「科進」) 之股東。根據科進協議，E-Dev 同意以總代價約 24,900,000 港元分別向 HK Weaver 及黃先生收購科進之 7.97% 及 1.99% 權益。上述代價將以發行約 249,000,000 股本公司每股發行價 0.10 港元之新股份之方式支付。E-Dev 於二零零零年六月以代價約 25,000,000 港元收購科進 10% 權益。科進協議完成後，E-Dev 將擁有科進約 19.96% 股權。

科進從事開發及經營網站。於年結日，鑒於網站經營業務低迷，故已就此項投資作出 25,000,000 港元之撥備。

LONG TERM INVESTMENTS (continued)

- (c) On 10 October 2000, the Company and Everlasting Bright Investments Limited ("Everlasting"), an independent third party, a shareholder of Hightor Enterprises Limited ("Hightor") entered into an agreement that the Company agreed to acquire 33.3% of the entire issued share capital of Hightor. The consideration amounted to HK\$30 million was satisfied by the issue of 300 million new shares of HK\$0.10 per share.

The principal activities of Hightor, which was commenced in October 1999, through the development and operation of the website in Hong Kong, workstender.com, are the provision of electronic tendering services and e-commerce business model for the construction industry. Workstender.com aims to provide a platform to facilitate electronic tendering services for a wide variety of contractors, including quasi-government and commercial entities.

長期投資 (續)

- (c) 二零零零年十月十日，本公司與一名獨立第三者Hightor Enterprises Limited (「Hightor」) 之股東Everlasting Bright Investments Limited (「Everlasting」) 訂立協議，本公司同意收購Hightor全部已發行股本33.3%。代價30,000,000港元以發行300,000,000股每股發行價0.10港元之新股份之方式支付。

Hightor之主要業務為於一九九九年十月開始透過開發及經營香港網站workstender.com，為建築業提供電子投標服務及電子商貿業務模式。Workstender.com致力為各類承建商(包括半官方及商業機構)提供平台，促進電子投標服務。

LONG TERM INVESTMENTS (continued)

- (d) On 30 October 2000, the Company and Mr. Yeung Lai Wah, an independent third party entered into an agreement that the Company acquired a 15% interest of the issued share capital of Grand Project Investments Limited ("Grand"). The total consideration payable by the Company was HK\$15 million and was satisfied by the allotment and issue of a total of 150 million new shares at the issue price of HK\$0.10 per share.

Grand is an investment holding company, incorporated on 31 March 2000, principally engaged in the development and operation of websites. The main operating business of Grand currently comprise the investment in SpecialtyeMail.com Limited ("SpecialtyeMail") and 123gotoShopping.com Limited ("123gotoShopping").

Since the websites was dormant since the end of 2000, a provision of HK\$15 million was made against this investment.

長期投資 (續)

- (d) 二零零零年十月三十日，本公司與獨立第三者Yeung Lai Wah先生訂立協議，本公司收購Grand Project Investments Limited (「Grand」) 已發行股本15%權益。本公司應付總代價為15,000,000港元，並以發行價每股0.10港元配發及發行合共150,000,000股新股份之方式支付。

Grand為於二零零零年三月三十一日註冊成立之投資控股公司，主要業務為開發及經營網站。Grand現時之主要經營業務包括投資SpecialtyeMail.com Limited (「SpecialtyeMail」) 及123gotoShopping.com Limited (「123gotoShopping」)。

鑒於網站自二零零零年底已暫停營業，故此項投資作出15,000,000港元之撥備。

LONG TERM INVESTMENTS (continued)

- (e) On 1 November 2000, the Company and Charity.com Limited, an independent third party, entered into an agreement that the Company agreed to purchase 12.5% interest to Workforgood.com Limited ("Workforgood"), (formally known as Charityglobal.com Limited). The consideration payable by the Company was HK\$30 million and was satisfied by the issue of 300 million new shares of HK\$0.10 per share.

The principal activities of Workforgood were commenced in April 2000 and were engaged in the development and operation of a website in Hong Kong. CharityGlobal aims to commercialize the act of charity by offering an online platform for donors, goods and service providers (merchants) and charity organizations in Hong Kong and in the Mainland China. The Workforgood also aims to establish its website as a primer website that provides an one-stop-shop solution for registered members of CharityGlobal all year round.

Since the websites was dormant at the end of 2000, a provision of HK\$30 million was made against this investment .

長期投資 (續)

- (e) 二零零零年十一月一日，本公司與獨立第三者 Charity.com Limited 訂立協議，本公司同意收購 Workforgood.com Limited (「Workforgood」) (前稱 Charityglobal.com Limited) 12.5% 權益。本公司之應付代價為 30,000,000 港元，並以發行 300,000,000 股每股發行價 0.10 港元之新股份之方式支付。

Workforgood 由二零零零年四月起營運，主要業務為在香港開發及經營網站。CharityGlobal 矢志為香港及中國大陸之捐款者、貨品與服務供應商 (商戶) 及慈善機構提供網上平台，將慈善活動商業化。Workforgood 亦致力將網站發展成為入門網站，為 CharityGlobal 之登記會員提供全年無休一站式解決方案。

鑒於網站自二零零零年底已暫停營業，故此項投資作出 30,000,000 港元之撥備。

LONG TERM INVESTMENTS (continued)

- (f) On 9 February 2001, the Company and Mr. Zhang Xue Ping ("Mr. Zhang"), an independent third party entered into an agreement that the Company agreed to purchase 32.5% interest of 廣州市奧斯凱科技有限公司 ("奧斯凱"). The consideration was HK\$26 million to be satisfied by the issue of 2,600 million fully paid ordinary shares of HK\$0.01 per share.

奧斯凱 is a well established research and development company with the founder management, Mr. Zhang, an expert in corporate software development. The newly developed gas composition measuring equipment is superior in the sensitivity and accuracy of the measurements, and the convenience of carrying the requirement. It is expected the market potential of the equipment will be huge and the return of the investment will be encouraging.

- (g) On 5 March 2001, the Company and one or more shareholders of 廣州飛流熱水器有限公司 ("飛流"), independent third parties, entered into an agreement that the Company agreed to purchase 30% interest of 飛流. The consideration of HK\$21 million will be satisfied in full at completion by the issue of 2,100 million fully paid ordinary shares at HK\$0.01 each.

The principal business of 飛流 is the research and development, production, processing and sale of water heating equipment and accessories. 飛流 was incorporated on 14 December 2000 and commenced business shortly thereafter.

長期投資 (續)

- (f) 二零零一年二月九日，本公司與獨立第三者 Zhang Xue Ping 先生 (「Zhang 先生」) 訂立協議，本公司同意收購廣州市奧斯凱科技有限公司 (「奧斯凱」) 32.5% 股權。代價 26,000,000 港元以發行 2,600,000,000 股每股發行價 0.01 港元之繳足普通股之方式支付。

奧斯凱為一間有規模之研發公司，其創辦管理人為 Zhang 先生。Zhang 先生為企業軟件開發專家。其新開發之氣體成份量度設備之敏感度及準確性均極高，且便於攜帶。預料該設備有很大市場潛力及有令人鼓舞之投資回報。

- (g) 二零零一年三月五日，本公司與獨立第三者廣州飛流熱水器有限公司 (「飛流」) 之一位或多位股東訂立協議，本公司同意收購飛流 30% 權益。代價 21,000,000 港元將會以完成發行 2,100,000,000 股每股發行價 0.01 港元之繳足普通股之方式支付。

飛流之主要業務包括研究及開發、生產、加工及出售熱水器及配件。飛流於二零零零年十二月十四日註冊成立，其後隨即投入運作。

WINDING UP OF SUBSIDIARIES

The High Court issued winding up orders to the following subsidiaries: Ka Cheong Building Materials (International) Limited, Collections Interior Limited, CIL (Nominees) Limited and Sundart CIL (Engineering) Limited on 21 May 2001, 4 June 2001, 11 June 2001 and 26 June 2001 respectively.

These subsidiaries are either dormant or net deficit companies and do not have a significant financial impact to the Group. The management consider it is in the best interest of the Group to allow the winding up of these subsidiaries.

CAPITAL REDUCTION

A special resolution was passed at a special general meeting of shareholders on 9 November 2000. It was resolved to (i) reduce the par value of the 4,502 million shares which were in issue up to 9 November 2000 in the Company from HK\$0.10 to HK\$0.01 each by the cancellation of HK\$0.09 paid up on each issued share; (ii) subdivide each authorized but unissued share capital of the Company into 10 new shares; (iii) utilize the entire credit arising from the capital reorganization to eliminate part of the accumulated losses of the Company; and (iv) increase the board lot from 2,000 to 100,000 upon completion of the capital reorganization. The reduction of the par value of the shares of the Company and share subdivision gave the Company greater flexibility in pricing any new issue of its shares.

清盤附屬公司

高等法院於二零零一年五月二十一日、二零零一年六月四日、二零零一年六月十一日及二零零一年六月二十六日分別向附屬公司嘉昌建築材料(國際)有限公司、建築室內裝飾有限公司、CIL (Nominees) Limited及承達(建材)工程有限公司發出清盤令。

該等附屬公司均為暫無業務或出現淨額赤字之公司，對本集團並不造成重大財務影響。管理層認為批准該等附屬公司清盤符合本集團之最佳利益。

削減股本

於二零零零年十一月九日舉行之股東特別大會通過一項特別決議案，議決(i)將每股已發行股份已繳股本註銷0.09港元，使截至二零零零年十一月九日之本公司已發行股份4,502,000,000股之面值由每股0.10港元削減至每股0.01港元；(ii)將本公司每一股法定但未發行股本拆細為10股新股份；(iii)動用股本重組所得全部進帳撇銷本公司部份累積虧損；及(iv)於完成股本重組後將買賣單位由2,000股增至100,000股。削減本公司股份面值及拆細股份使本公司在釐定發行新股價格時更具靈活性。

PRIVATE PLACEMENT

The Company entered into a placing agreement after the close of business on 22 November 2000 to place 900,000,000 placing shares at the placing price of HK\$0.011 per share on a best effort basis. The placing shares represent approximately 20 per cent of the Company's existing issued share capital of 4,502 million shares and 16.67 per cent of the enlarged issued share capital of the Company of 5,402 million shares. The placing would strengthen the financial position of the Company. The net proceeds from the placing was approximately HK\$9.5 million and it was used as general working capital for the Group.

DEBTS SETTLEMENT

The Company agreed to: (i) place a maximum of 3,000 million new ordinary shares at a price of HK\$0.01 each to independent third parties, pursuant to the conditional placing agreement (the "Placement Agreement") whereby the placing agent has agreed to place such shares on a best effort basis; (ii) issue an aggregate of about 11,300 million new ordinary shares to certain secured and unsecured creditors under the relevant settlement agreements; and (iii) issue an aggregate of 2,500 million new ordinary shares to HK Weaver and Mr. Wong under the Settlement Agreements (Collectively (ii) and (iii) referred to as "Settlement Agreements").

However, the Placement Agreements was not completed because the placing agent did not come to final written agreements with potential placees before the expiry date of the Placing Agreement. The placing agent and the Company agreed to terminate the placing on 2 March 2001. The directors consider that there would be no significant consequence thereon.

私人配售

於二零零零年十一月二十二日結束營業後，本公司訂立一項配售協議，按致力基準以配售價每股0.011港元配售900,000,000股股份。該等配售股份約佔本公司之4,502,000,000股現有已發行股本約20%及本公司之5,402,000,000股擴大後已發行股本16.67%。該配售能加強本公司之財務狀況。配售所得淨額約9,500,000港元用作本集團之一般營運資金。

償還債務

本公司同意：(i)以每股面值0.01港元之價格向獨立第三者配售最多3,000,000,000股新普通股，根據有條件配售協議（「配售協議」），配售代理已同意按致力基準配售該等股份；(ii)按有關償還協議，發行總數約11,300,000,000股新普通股予若干有擔保及無擔保債權人；及(iii)按償還協議（(ii)及(iii)統稱「該等償還協議」），發行總數2,500,000,000股新普通股予HK Weaver及黃先生。

然而，配售協議並未完成，原因為配售代理於配售協議到期日前仍未與目標承配人達成最後書面協議。配售代理與本公司同意於二零零一年三月二日終止該項配售。董事會認為終止配售不會造成重大影響。

DEBTS SETTLEMENT (continued)

The Company issued 13,800 million new ordinary shares on 2 March 2001 in accordance with the Settlement Agreements.

LIQUIDITY AND FINANCIAL RESOURCES

As at the balance sheet date, the Group has a net current liabilities of approximately HK\$151 million and a total liabilities to equity ratio of approximately 4.62 times. The management is in negotiation with all the creditors of the Company for a settlement proposal but no agreement has been reached yet. On the other hand, the Company is seeking legal advice and negotiating with certain creditors and debtors for a legal set-off of certain receivables against loans and payables. The Company is also seeking long term equity finance should an opportunity arise.

FOREIGN CURRENCY EXPOSURE

The Group does not have significant foreign currency exposure except that the underwriting income of 30,000,000 peso (approximately HK\$5.1 million) receivable from the manager of Goldhill Merchandising next year.

EMPLOYEES INFORMATION

The Group at present has 60 employees of which 26 is employed overseas by Goldhill Merchandising. The Company has a share option scheme but no share option had been granted during the year.

償還債務 (續)

本公司根據該等償還協議於二零零一年三月二日發行13,800,000,000股新普通股。

流動資金及財務資源

於結算日，本集團之流動負債淨值約為151,000,000港元，總負債與資本比率約為4.62倍。管理層正與本公司所有債權人進行磋商以期達成償還建議，惟至今仍未達成任何協議。另一方面，本公司現正尋求法律意見，並與若干債權人及債務人進行磋商，以若干應收款項對銷貸款及應付款項。本公司亦正尋找長期股本融資機會。

外幣風險

除下一年度應收Goldhill Merchandising經理30,000,000披索（約5,100,000港元）之包銷收入外，本集團並無任何重大外幣風險。

僱員資料

本集團目前僱用60名僱員，其中26名由Goldhill Merchandising於海外招聘。本公司設有購股權計劃，惟年內並無授予任何購股權。

CHARGES ON GROUP ASSETS

The Group's investment in a wholly-owned subsidiary, Collections International Limited has been pledged to an independent third party for a loan of approximately HK\$4 million. Collections International Limited is the holding Company of a property development joint venture project in the People's Republic of China. The carrying value of which as at the date of this Report is approximately HK\$24 million.

The Group's property of carrying value of approximately HK\$20 million together with the Company's guarantees are pledged to a bank in Hong Kong for a banking facilities of approximately HK\$50 million.

As at balance sheet date, the Group's contingency liabilities is approximately HK\$157 million.

PROSPECTS

The slowdown of the Hong Kong economy is expected to continue in the first half of 2002 but the development of the Mainland China's economy is continuing its promising trend. It is expected the investment opportunities will be further enhance follow the People's Republic of China become a member of World Trade Organisation. In the forthcoming years, the management will focus in the development of business ventures in the People's Republic of China as well as Liquidating unsound investment in Hong Kong.

Joseph Szeto
Chairman

Hong Kong, 25 January 2002

集團資產抵押

本集團於全資附屬公司 Collections International Limited 之投資已抵押予獨立第三者，以獲取約 4,000,000 港元之貸款。Collections International Limited 乃一間於中華人民共和國之物業發展合營企業項目之控股公司，該物業發展合營企業項目於本報告日期之面值約為 24,000,000 港元。

本集團帳面值約為 20,000,000 港元之物業連同本公司擔保已抵押予一間香港銀行，以獲取約 50,000,000 港元之銀行信貸。

於結算日，本集團之或然負債約為 157,000,000 港元。

前景

預期香港經濟於二零零二年上半年將持續放緩，但內地經濟則仍會持續發展。隨著中華人民共和國加入世界貿易組織，投資商機將因此而進一步增加。未來數年，管理層將專注發展於中華人民共和國之商業經營項目，以及結束香港業績欠佳之投資項目。

主席
司徒若瑟

香港，二零零二年一月二十五日