

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1 cent per share for the year ending 31 December 2002 (2001: 1 cent) payable to shareholders registered on 27 September 2002. Dividend warrants will be posted to shareholders by 4 October 2002.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 25 September 2002 to 27 September 2002, both days inclusive, during which period no transfer of shares will be registered. To ensure their entitlement to the interim dividend, shareholders are reminded to lodge their transfers not later than 4:00 p.m. on Tuesday, 24 September 2002 with Standard Registrars Limited, 5/F., Wing On Centre, 111 Connaught Road Central, Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

Results for the Period

The Group recorded HK\$4 million turnover in the six months ended 30 June 2002, a 75% decrease as compared with the last corresponding period. The decrease was largely attributable to the decrease in sales of listed investments.

Loss attributable to shareholders was HK\$72 million, a decrease of HK\$61 million as compared with loss of HK\$133 million in the last corresponding period. The decrease was mainly due to the decrease in transfer of revaluation deficit from the long-term investment revaluation reserve to the profit and loss account upon impairment in value of listed investments.

The increase in share of loss of associates was due to share of provision of \$47 million for impairment loss in respect of an associate's interest in a hotel property.

Financial Resources and Liquidity

The Group's total borrowings were HK\$468 million at the period end. All the borrowings will mature within one year after balance sheet date. The borrowings were mainly for the acquisition of the unconsolidated subsidiary, Argent Holdings Limited ("Argent"). The Group intends to dispose of Argent and the borrowing will then be repaid.