

BUSINESS OVERVIEW

For the six months ended 30 June 2002, the Group's turnover and profit attributable to shareholders decreased by 10% to approximately HK\$153.1 million and by 51% to approximately HK\$5.3 million respectively compared to the corresponding period in last year.

The decrease in the turnover and profit attributable to shareholders is primarily due to the slower than expected economic recovery in global market as well as the increase in competition in this industry.

The gross profit margin of the Group is 13%. Compared with the 16% profit margin in the corresponding period in last year, such decrease is a result of increasing competition in the market.