

**OMNITECH GROUP LIMITED****BOARD OF DIRECTORS**

Huen Wing Ming, Patrick (*Chairman*)

Shaw Wen Fei (*Vice Chairman*)

Lui Chun Bing, Tommy  
(*Managing Director*)

Au Hoi Tsun, Peter

Hui Tung Wah, Samuel

Chim Chun Kwan, Sandy

Lau Ho Kit, Ivan

Wong Che Keung, Richard  
(*Independent non-executive  
Director*)

Tong Yee Yung, Joseph  
(*Independent non-executive  
Director*)

**AUDIT COMMITTEE**

Wong Che Keung, Richard

Tong Yee Yung, Joseph

**COMPANY SECRETARY**

Man Sau Ying, Karen

**REGISTERED OFFICE**

Cedar House  
41 Cedar Avenue  
Hamilton HM12  
Bermuda

**PRINCIPAL PLACE OF BUSINESS**

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72 Gloucester Road  
Wanchai, Hong Kong  
Tel: (852) 2526 2588  
Fax: (852) 2521 6088  
e-mail: info@omnitechgroup.com

**AUDITORS**

Moore Stephens

**SOLICITORS**

Baker & McKenzie

Sidley Austin Brown & Wood

**PRINCIPAL BANKERS**

Fortis Bank

The Hongkong and Shanghai Banking  
Corporation Limited

**PRINCIPAL REGISTRAR &  
TRANSFER OFFICE**

The Bank of Bermuda Limited  
6 Front Street  
Hamilton HM DX  
Bermuda

**BRANCH SHARE REGISTRAR &  
TRANSFER OFFICE**

Tengis Limited  
4th Floor, Hutchison House  
10 Harcourt Road  
Hong Kong

**STOCK CODE: 94**

## REVIEW OF OPERATIONS

For the six months ended 30 June 2002 (the “Current Period”), the total turnover of the Group amounted to HK\$66.6 million and was approximately at the same level as the corresponding period last year, as the Group rebuilt its business activities after the acquisition of Omnitech Holdings Limited (“OHL”) at the beginning of the year. The interim consolidated loss attributable to shareholders was substantially reduced to HK\$19.3 million from HK\$64.6 million of last year. The improvement in the current period result was mainly attributable to an improvement in gross profit margin and a reduction in finance costs. However, administrative expenses increased substantially after the acquisition of OHL. Efforts are being made by management to further streamline operations, rationalize costs and increase sales.

Shareholders’ funds as at 30 June 2002 stood at HK\$306.3 million or HK\$0.057 per share compared with HK\$227.6 million or HK\$0.06 per share as at 31 December 2001.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group’s current assets and current liabilities as at 30 June 2002 were HK\$141.8 million and HK\$69.3 million respectively (2001: HK\$622.0 million and HK\$637.5 million respectively). As at 30 June 2002, the Group had cash and bank deposits of approximately HK\$54.6 million (2001: HK\$ 8.8 million), and short-term bank borrowings of HK\$31.0 million (2001: Nil).

To provide additional working capital and financial resources for business expansion and acquisitions, the Company issued new shares for cash and otherwise during the period under review:

- a) On 14 January 2002, the Company issued 200,000,000 new shares credited as fully paid at HK\$0.06 per share for the acquisition of 50,000,000 shares in OHL from a number of shareholders of OHL.
- b) On 21 January 2002, the Company issued 280,000,000 new shares to settle the balance of outstanding amount of approximately HK\$18 million due to the Grande Group.

## OMNITECH GROUP LIMITED

- c) On 6 February 2002, the Company raised HK\$13.5 million by issuing 270,000,000 new shares at HK\$0.05 per share.
- d) On 4 April 2002, the Company raised HK\$14.95 million by issuing 230,000,000 new shares at HK\$0.065 per share.
- e) On 16 May 2002, the Company raised HK\$43.2 million by issuing 600,000,000 new shares at HK\$0.072 per share.

## PROSPECTS

In the period under review, the management focused its efforts on consolidating OHL into the Group with initial success as there is strong synergy among the Group's various business activities including electronic components, smart card solutions, e-commerce, software development and strategic investments. Leveraging on the Group's management and technical resources, the Group's contactless smart card project with Beijing Metro has advanced smoothly in terms of technical testing which runs into early next year.

The Group's major associated company, Bizipoint.com Limited ("Bizipoint"), has successfully extended its business activity from e-commerce related service to a fully integrated service center for the China Electronic Chamber of Commerce ("CECC"). This arrangement will generate a consistent stream of income for Bizipoint through the sharing of membership fees with the CECC as well as ancillary business opportunities arising from these relationships.

In addition to technology investments, the directors are actively exploring opportunities to increase and diversify its business activities. With Beijing preparing for the 2008 Olympics, and with the Group's other business relationships in Beijing, it opens up tremendous business opportunities for the Group to participate in other Olympics related business activities in the years ahead.

## INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend in respect of the current period (2001: Nil).

## EMPLOYEES AND SHARE OPTION SCHEME

As at 30 June 2002, the Group employed approximately a total of 1,490 employees, the majority of whom are employed in the PRC.

Staff remuneration is reviewed by the Group from time to time and adjustments are granted normally annually or by special adjustment depending on length of service and performance. Share options and bonuses are also available to employees of the Group at the discretion of the directors and depending upon the financial performance of the Group.

The Company adopted a share option scheme on 23 May 1997. As a result of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") amending Chapter 17 (Share Option Schemes) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") on 1 September 2001, certain terms of the share option scheme of the Company were no longer in compliance with Chapter 17 of the Listing Rules and the Company could no longer grant any further options under that share option scheme. Therefore, a new share option scheme was adopted on 22 March 2002 in compliance with the requirements of the Listing Rules and the old share option scheme was then terminated.

The Company did not grant any share option under the new share option scheme and accordingly the Company has no share options outstanding as at 30 June 2002.

## PLEDGE OF ASSETS

As at 30 June 2002, the Group pledged certain of its time deposits amounted to HK\$16.3 million (2001: Nil) as security for general banking facilities granted.

## CONTINGENT LIABILITY

Subsequent to 30 June 2002, the Company executed a guarantee amounting to HK\$3.9 million to a bank as securities for banking facilities granted to an associate. The banking facilities have not yet been utilized.

## DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 30 June 2002, the interests of the directors in the share capital of the Company as recorded in the register (the "Register") maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

Name of director	Personal interests	Number of shares held		Total
		Family interests	Corporate interests	
Huen Wing Ming, Patrick	—	100,000 (Note 1)	620,000,000 (Note 2)	620,100,000
Shaw Wen Fei	—	—	106,490,000 (Note 3)	106,490,000
Lui Chun Bing, Tommy	—	—	300,000,000 (Note 4)	300,000,000
Au Hoi Tsun, Peter	30,500,000	—	—	30,500,000

Notes:

- (1) These shares were held by Mrs. Huen Ng Sui Fong, Isabel, wife of Mr. Huen Wing Ming, Patrick and therefore he was deemed to have an interest in these shares.
- (2) These shares were held by Planet Adventure Limited, which is wholly-owned by Mr. Huen Wing Ming, Patrick and therefore he was deemed to have an interest in these shares.
- (3) These shares were held by Sharp States Investments Inc., which is wholly-owned by Mr. Shaw Wen Fei and therefore he was deemed to have an interest in these shares.
- (4) These shares were held by Sharp Power Limited, which is wholly-owned by Mr. Lui Chun Bing, Tommy and therefore he was deemed to have an interest in these shares.

Save as disclosed above, none of the directors and/or their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

None of the directors (including their spouse and children under 18 years of age) had been granted, or exercised, any rights to subscribe for the shares of the Company during the current period.

## SUBSTANTIAL SHAREHOLDER

As at 30 June 2002, pursuant to the Register required to be kept by the Company under Section 16(1) of the SDI Ordinance, the shareholder who was interested in 10% or more of the issued share capital of the Company was as follows:

<b>Name</b>	<b>Number of shares held</b>	<b>%</b>
Planet Adventure Limited	620,000,000	11.54

Planet Adventure Limited is beneficially owned by Mr. Huen Wing Ming, Patrick, the Chairman of the Company.

Save as disclosed above, no person had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

## REVIEW BY AUDIT COMMITTEE

The Audit Committee comprising the two independent non-executive directors of the Company has discussed the internal controls and financial reporting matters with management and reviewed the unaudited consolidated financial statements of the Group for the current period.

## CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not, for any part of the current period for the six months ended 30 June 2002, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules. Independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-Laws.

## OMNITECH GROUP LIMITED

**PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the current period.

**CHANGE OF COMPANY NAME**

With effect from 8 April 2002, the name of the Company was changed from "O2New Technology Limited" to "Omnitech Group Limited" and 「兩儀控股有限公司」was adopted as the Chinese name of the Company for identification purpose.

By Order of the Board  
**Huen Wing Ming, Patrick**  
*Chairman*

Hong Kong, 20 September 2002

## CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June

	Notes	2002 (unaudited) HK\$'000	2001 (unaudited) HK\$'000
<b>TURNOVER</b>	2	<b>66,574</b>	67,070
Cost of sales		<b>(52,909)</b>	(62,999)
Gross profit		<b>13,665</b>	4,071
Other revenue		<b>1,506</b>	1,227
Distribution costs		<b>(2,096)</b>	(844)
Administrative expenses		<b>(27,818)</b>	(13,732)
Other operating expenses		<b>(8,197)</b>	(4,588)
<b>LOSS FROM OPERATING ACTIVITIES</b>	3	<b>(22,940)</b>	(13,866)
Finance costs	4	<b>(1,377)</b>	(49,027)
Share of results of associates		<b>(550)</b>	(913)
<b>LOSS BEFORE TAX</b>		<b>(24,867)</b>	(63,806)
Taxation	5	<b>1,065</b>	(714)
<b>LOSS BEFORE MINORITY INTERESTS</b>		<b>(23,802)</b>	(64,520)
Minority interests		<b>4,458</b>	(96)
<b>NET LOSS ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>(19,344)</b>	(64,616)
<b>LOSS PER SHARE</b>	6		
Basic		<b>(0.41 cents)</b>	(1.74 cents)



## CONDENSED CONSOLIDATED BALANCE SHEET

		<b>30 June 2002 (unaudited) HK\$'000</b>	31 December 2001 (audited) HK\$'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Properties, plant and equipment		<b>14,131</b>	7,841
Investment properties		<b>14,200</b>	14,200
Long-term investments		<b>70,031</b>	70,031
Interests in associates	7	<b>152,713</b>	163,593
		<hr/> <b>251,075</b> <hr/>	<hr/> 255,665 <hr/>
<b>CURRENT ASSETS</b>			
Inventories		<b>34,788</b>	—
Trade and other receivables	8	<b>49,880</b>	600,429
Prepayments and deposits paid		<b>2,487</b>	556
Tax recoverable		<b>55</b>	403
Cash and cash equivalents	10	<b>54,570</b>	5,263
		<hr/> <b>141,780</b> <hr/>	<hr/> 606,651 <hr/>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	<b>31,740</b>	632,081
Deposits received		<b>637</b>	641
Tax payable		<b>5,721</b>	399
Current portion of obligations under finance leases		<b>205</b>	—
Interest bearing bank borrowings	10	<b>31,029</b>	—
		<hr/> <b>69,332</b> <hr/>	<hr/> 633,121 <hr/>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<hr/> <b>72,448</b> <hr/>	<hr/> (26,470) <hr/>

**CONDENSED CONSOLIDATED BALANCE SHEET (Continued)**

		<b>30 June 2002 (unaudited) HK\$'000</b>	31 December 2001 (audited) HK\$'000
<b>TOTAL ASSETS LESS</b>			
<b>CURRENT LIABILITIES</b>		<b>323,523</b>	229,195
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax		<b>339</b>	1,302
Non-current portion of obligations under finance leases		<b>36</b>	—
Other long-term liabilities		<b>2,000</b>	—
<b>MINORITY INTERESTS</b>		<b>14,870</b>	309
		<b>306,278</b>	227,584
<b>CAPITAL AND RESERVES</b>			
Share capital	11	<b>53,737</b>	37,937
Reserves	12	<b>252,541</b>	189,647
		<b>306,278</b>	227,584

Notes

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

Six months ended 30 June

	<b>2002</b> <b>(unaudited)</b> <b>HK\$'000</b>	2001 (unaudited) HK\$'000
Net cash (outflow)/inflow from operating activities	<b>(28,244)</b>	61,466
Net cash outflow from investing activities	<b>(15,426)</b>	(97,629)
Net cash outflow before financing	<b>(43,670)</b>	(36,163)
Net cash inflow from financing	<b>61,890</b>	19,676
Increase/(decrease) in cash and cash equivalents	<b>18,220</b>	(16,487)
Cash and cash equivalents at 1 January	<b>5,263</b>	25,278
Effect of foreign exchange rate changes	<b>58</b>	—
Cash and cash equivalents at 30 June	<b>23,541</b>	8,791
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents	<b>54,570</b>	8,791
Bank overdrafts	<b>(4,863)</b>	—
Trust receipt loans repayable within three months	<b>(26,166)</b>	—
	<b>23,541</b>	8,791

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June

	<b>2002</b> <b>(unaudited)</b> <b>HK\$'000</b>	2001 (unaudited) HK\$'000
OPENING BALANCE - TOTAL EQUITY	<b>227,584</b>	343,219
Currency translation differences	<b>(1,139)</b>	—
Loss for the period	<b>(19,344)</b>	(64,616)
Issue of new shares	<b>101,850</b>	20,000
Share issue expenses	<b>(2,673)</b>	(326)
	<hr/>	<hr/>
CLOSING BALANCE - TOTAL EQUITY	<b>306,278</b>	298,277
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended 30 June 2002

**1. Basis of Preparation and Accounting Policies**

The unaudited consolidated condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants.

The condensed interim accounts should be read in conjunction with the 2001 annual financial statements.

The accounting policies and basis of preparation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31 December 2001 except that the Group has changed certain of its accounting policies following its adoption of the following SSAPs issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1 January 2002:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 34	:	Employee benefits

The adoption of these new or revised SSAPs has no significant effect on the results of the Group in both accounting periods. Accordingly, no prior period adjustment is required.

## 2. Turnover, Revenue and Segmented Information

Turnover represents the aggregate of the net invoiced value of goods sold, after allowances for goods returned and trade discounts.

An analysis of the Group's turnover and results for the period by business segments is as follows:

	Turnover		Contribution to operating profit/(loss)	
	2002 Unaudited HK\$'000	2001 Unaudited HK\$'000	2002 Unaudited HK\$'000	2001 Unaudited HK\$'000
<b>By activity</b>				
Sale of electronic components	59,893	66,401	3,343	2,604
Smart card technology	5,791	—	(7,298)	—
Rental income	890	669	474	623
	<u>66,574</u>	<u>67,070</u>	<u>(3,481)</u>	<u>3,227</u>
Interest and other income			1,506	1,227
Amortisation and impairment loss on goodwill			(6,630)	(4,588)
Loss on disposal of fixed assets			(119)	—
Unallocated corporate expenses			(14,216)	(13,732)
Share of results of associates			(550)	(913)
Finance costs			(1,377)	(49,027)
			<u>(24,867)</u>	<u>(63,806)</u>
<b>By geographical area</b>				
Asia	64,882	58,685	(3,556)	2,824
North America	1,157	6,512	61	313
Europe	535	1,873	14	90
	<u>66,574</u>	<u>67,070</u>	<u>(3,481)</u>	<u>3,227</u>

### 3. Loss from Operating Activities

This is stated at after crediting and charging the following:

	<b>Six months ended 30 June</b>	
	<b>2002</b>	2001
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Gross rental income	<b>890</b>	669
Less: outgoings	<b>(99)</b>	(46)
	<hr/>	<hr/>
Net rental income	<b>791</b>	623
Interest income	<b>461</b>	779
and after charging:		
Amortisation and impairment loss on goodwill	<b>6,630</b>	4,588
Depreciation of owned properties, plant and equipment	<b>1,989</b>	1,603
Loss on disposal of fixed assets	<b>119</b>	—
	<hr/> <hr/>	<hr/> <hr/>

#### 4. Finance Costs

	<b>Six months ended 30 June</b>	
	<b>2002</b>	2001
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Interest and similar charges on:		
Bank loans and overdrafts wholly repayable within five years	<b>928</b>	—
Finance lease	<b>128</b>	—
Others	<b>321</b>	49,027
	<hr/> <b>1,377</b> <hr/>	<hr/> 49,027 <hr/>

Finance costs for the six months ended 30 June 2001 represents interest and similar charges paid to the Grande Group, the former parent of the Company.



## 5. Taxation

Hong Kong profits tax has been provided at the rate of 16% (2001:16%) on the estimated assessable profits arising in Hong Kong during the current period. Taxes on profits assessable outside Hong Kong have been calculated at the rates of taxation prevailing in the countries in which the Group operates, based on existing law, practice and interpretation thereof.

The accounts of taxation charge/ (credit) to the consolidated profit and loss account represents:

	<b>Six months ended 30 June</b>	
	<b>2002</b>	2001
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Current period provision:		
Hong Kong	—	714
	<hr/>	<hr/>
	—	714
Deferred tax	<b>(1,065)</b>	—
	<hr/>	<hr/>
	<b>(1,065)</b>	714
	<hr/> <hr/>	<hr/> <hr/>

## 6. Loss Per Share

The calculation of basic loss per share is based on the net loss attributable to shareholders of HK\$19,344,000 (2001: HK\$64,616,000) and the weighted average of 4,708,980,689 (2001: 3,713,566,325) shares in issue during the current period.

The diluted loss per share for the periods ended 30 June 2002 and 2001 have not been shown as there were no dilutive potential ordinary shares in existence during the respective periods.



## 8. Trade and Other Receivables

	<b>30 June 2002 (unaudited) HK\$'000</b>	31 December 2001 (audited) HK\$'000
Current	<b>35,037</b>	110
One to three months	<b>12,182</b>	63
More than three months	<b>2,661</b>	600,256
	<b>49,880</b>	600,429

Included in the balance at 31 December 2001 was the net recoverable balance of HK\$600 million (net of a provision of HK\$308 million) arising from an attempted rescue of the Akai Group, which was fully explained in the Group's previous Interim and Annual Reports. The rescue was funded through a subsidiary of the Company, Prosperous Finance Limited ("PFL") and the recoverable balance was secured by various assets including shares, trademarks and certain tangible assets.

During the period, PFL together with its direct parent, Towering Finance Limited ("TFL"), were disposed of on 22 May 2002 as detailed in Note 9.

## 9. Trade and Other Payables

	<b>30 June 2002 (unaudited) HK\$'000</b>	31 December 2001 (audited) HK\$'000
Current	<b>11,614</b>	623,869
One to three months	<b>13,312</b>	8,010
More than three months	<b>6,814</b>	202
	<hr/> <b>31,740</b> <hr/> <hr/>	<hr/> 632,081 <hr/> <hr/>

Included in the balance at 31 December 2001 was a promissory note of HK\$600 million payable to the Grande Group issued by a subsidiary of the Company, PFL. There was also an amount of approximately HK\$18 million owed by the Company to the Grande Group. Both amounts arose from the attempted rescue of the Akai Group as more fully explained in the Group's previous Interim and Annual Reports.

On 21 January 2002, the aforesaid amount of HK\$18 million was settled by the issuance of 280,000,000 new shares of the Company.

On 22 May 2002, the Company disposed of PFL and its direct parent TFL to the Grande Group at a nominal price determined with reference to the consolidated net tangible asset value of TFL and PFL. The principal asset and liability of TFL and PFL are represented by the estimated recoverable amount from the Akai rescue as disclosed in Note 8, and the promissory note of HK\$600 million as stated above.

## 10. Interest Bearing Bank Borrowings

	<b>30 June 2002 (unaudited) HK\$'000</b>	31 December 2001 (audited) HK\$'000
Bank overdrafts	<b>4,863</b>	—
Trust receipt loans payable within three months	<b>26,166</b>	—
	<hr/> <b>31,029</b> <hr/> <hr/>	<hr/> — <hr/> <hr/>

Certain of the Group's time deposits amounted to approximately HK\$16.3 million (2001:Nil) were pledged to banks as securities for general banking facilities granted.

## 11. Share Capital

### Ordinary shares

	Number of ordinary shares of HK\$0.01 each	Amount HK\$'000
Authorised:		
1 January 2002	5,000,000,000	50,000
Increase during the period	10,000,000,000	100,000
<b>30 June 2002</b>	<b>15,000,000,000</b>	<b>150,000</b>
Issued and fully paid:		
1 January 2002	3,793,676,822	37,937
Issue of new shares	1,580,000,000	15,800
<b>30 June 2002</b>	<b>5,373,676,822</b>	<b>53,737</b>

At the Special General Meeting held on 22 March 2002, the authorised share capital of the Company was increased from HK\$50,000,000 to HK\$150,000,000 by the creation of an additional 10,000,000,000 ordinary shares of HK\$0.01 each in the capital of the Company.

To provide additional working capital and financial resources for business expansions and acquisition, the Company issued new shares for cash and otherwise during the period under review:

- a) On 14 January 2002, the Company issued 200,000,000 new shares credited as fully paid at HK\$0.06 per share for the acquisition of 50,000,000 shares in OHL from a number of shareholders of OHL.
- b) On 21 January 2002, the Company issued 280,000,000 new shares to settle the balance of outstanding amount of approximately HK\$18 million due to the Grande Group.

## 11. Share Capital (Continued)

- c) On 6 February 2002, the Company raised HK\$13.5 million by issuing 270,000,000 new shares at HK\$0.05 per share.
- d) On 4 April 2002, the Company raised HK\$14.95 million by issuing 230,000,000 new shares at HK\$0.065 per share.
- e) On 16 May 2002, the Company raised HK\$43.2 million by issuing 600,000,000 new shares at HK\$0.072 per share.

## 12. Reserves

### Group

	Share premium account HK\$'000	Contributed surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
31 December 2001 (audited)					
and 1 January 2002	745,032	460,074	12,173	(1,027,632)	189,647
Issue of new shares	86,050	—	—	—	86,050
Share issue expenses	(2,673)	—	—	—	(2,673)
Transfer on re-organisation	(781,232)	(430,000)	—	1,211,232	—
Currency translation differences	—	—	(1,139)	—	(1,139)
Loss for the current period	—	—	—	(19,344)	(19,344)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>30 June 2002 (unaudited)</b>	<b><u>47,177</u></b>	<b><u>30,074</u></b>	<b><u>11,034</u></b>	<b><u>164,256</u></b>	<b><u>252,541</u></b>

Pursuant to a special resolution approved by the Company's shareholders at the Special General Meeting held on 22 March 2002, the Company effected a capital reorganization whereby the entire amount of the share premium account of the Company at 22 March 2002 amounted to HK\$781,232,000 and an amount of HK\$430,000,000 standing to the credit of the contributed surplus account of the Company were applied to set off the accumulated losses of the Company.

### 13. Commitments

	<b>30 June 2002 (unaudited) HK\$'000</b>	31 December 2001 (audited) HK\$'000
Amount contracted and not provided for in the plant and equipment:	<b>287</b>	—
Total minimum commitments under non-cancellable operating leases for land and buildings due:		
Within one year	<b>2,905</b>	303
In the second to fifth years, inclusive	<b>3,537</b>	—
	<b>6,442</b>	303

### 14. Related Party Transactions

	<b>Six months ended 30 June</b>	
	<b>2002 (unaudited) HK\$'000</b>	2001 (unaudited) HK\$'000
Consultancy fee charged/(paid) to an associate	<b>950</b>	(600)
Interest income from an associate	<b>372</b>	—

### 15. Contingent Liability

Subsequent to 30 June 2002, the Company executed a guarantee amounting to HK\$3.9 million to a bank as securities for banking facilities granted to an associate. The banking facilities have not yet been utilized.

### 16. Comparative figures

Certain comparative figures have been reclassified to conform with the current period presentation.