

UNAUDITED INTERIM RESULTS

The Board of Directors of Get Nice Holdings Limited (the “Company”) is pleased to announce that the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30th September, 2002 together with comparative figures for the six months ended 30th September, 2001. The unaudited condensed consolidated interim financial statements for the six months ended 30th September, 2002 have been reviewed by the Company’s Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2002

		(Unaudited consolidated) Six months ended 30th September, 2002	(Unaudited combined) Six months ended 30th September, 2001
	NOTES	HK\$'000	HK\$'000
Turnover	3	34,045	38,820
Other operating income		650	3,378
Commission expense		(7,205)	(11,086)
Depreciation and amortisation of property and equipment		(993)	(1,320)
Amortisation of intangible assets		(63)	(63)
Finance costs		(3,740)	(3,920)
Other operating expenses		(8,984)	(8,223)
Staff costs		(4,393)	(5,482)
Profit before taxation		9,317	12,104
Taxation	4	(1,699)	(1,648)
Net profit for the period		<u>7,618</u>	<u>10,456</u>
Dividends	5	<u>14,100</u>	–
Basic earnings per share	6	<u>HK2.8 cents</u>	<u>HK4.6 cents</u>

CONDENSED CONSOLIDATED BALANCE SHEET*At 30th September, 2002*

		(Unaudited consolidated) 30-9-2002 HK\$'000	(Audited combined) 31-3-2002 HK\$'000
	NOTES		
Non-current assets			
Property and equipment		13,937	14,056
Intangible assets		944	1,007
Other non-current assets		2,200	2,200
		<u>17,081</u>	<u>17,263</u>
Current assets			
Trade debtors	7	300,536	255,435
Prepayments and deposits		1,702	5,369
Amounts due from related companies		–	71
Investments in securities	8	44,124	43,229
Taxation recoverable		–	22
Bank balances – general accounts and cash		54,153	13,786
Bank balances – trust and segregated accounts		7,655	26,068
		<u>408,170</u>	<u>343,980</u>
Current liabilities			
Trade creditors	9	35,567	30,480
Accrued charges and other accounts payable		3,244	2,359
Amount due to a director		–	1,451
Taxation		3,392	1,646
Bank borrowings		118,848	125,150
		<u>161,051</u>	<u>161,086</u>
Net current assets		<u>247,119</u>	<u>182,894</u>
Total assets less current liabilities		<u>264,200</u>	<u>200,157</u>
Non-current liability			
Subordinated loan		–	60,000
		<u>264,200</u>	<u>140,157</u>
Capital and reserves			
Share capital	10	30,000	62,009
Reserves		234,200	78,148
		<u>264,200</u>	<u>140,157</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited consolidated)					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 <i>(Note a)</i>	Capital reserve HK\$'000 <i>(Note b)</i>	Retained earnings HK\$'000	
At 31st March, 2002	-	-	-	-	78,148	78,148
Arising from Reorganisation	-	-	121,809	-	-	121,809
Arising from acquisition of a subsidiary during Reorganisation	-	-	-	1,528	-	1,528
Increase in share capital pursuant to resolution passed on 16th May, 2002	200	-	-	-	-	200
New issue on public listing on 6th June, 2002	7,500	67,500	-	-	-	75,000
Capitalisation issue	22,300	(22,300)	-	-	-	-
Public listing expenses	-	(11,103)	-	-	-	(11,103)
Net profit for the period	-	-	-	-	7,618	7,618
Final dividend paid on 12th September, 2002	-	-	-	-	(9,000)	(9,000)
	<u>30,000</u>	<u>34,097</u>	<u>121,809</u>	<u>1,528</u>	<u>76,766</u>	<u>264,200</u>
At 30th September, 2002	30,000	34,097	121,809	1,528	76,766	264,200

	(Unaudited combined)			Total HK\$'000
	Share capital HK\$'000	Investment revaluation reserve HK\$'000	Retained earnings HK\$'000	
At 31st March, 2001 (Note c)	62,009	(1,564)	77,054	137,499
Realised on disposal of investment in securities	–	1,564	–	1,564
Net profit for the period	–	–	10,456	10,456
	<u>62,009</u>	<u>–</u>	<u>87,510</u>	<u>149,519</u>
At 30th September, 2001 (Note c)	<u>62,009</u>	<u>–</u>	<u>87,510</u>	<u>149,519</u>

Notes:

- (a) The special reserve represents the difference between the nominal value of the shares issued by the Company for the acquisition of the subsidiaries and the nominal value of the shares of the subsidiaries in issue together with the net book value of a subordinated loan capitalised at the time of the Reorganisation.
- (b) The capital reserve represents the difference between the consolidated net assets of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition at the time of the Reorganisation.
- (c) The share capital as at 31st March, 2001 and 30th September, 2001 represented the aggregate amount of the nominal value of the issued share capital of the companies comprising the Group, other than Get Nice Finance Company Limited and its subsidiary Alex International Limited, as at those dates.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited consolidated) Six month ended 30th September, 2002 HK\$'000	(Unaudited combined) Six month ended 30th September, 2001 HK\$'000
Net cash inflow/(outflow) from:		
Operating activities	(6,207)	(1,060)
Investing activities	(790)	(34,125)
Financing activities	61,165	402
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	54,168	(34,783)
Cash and cash equivalents at the beginning of the period	(72,404)	(29,246)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	(18,236)	(64,029)
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the balances of cash and cash equivalents		
Bank balances – general accounts and cash	54,153	23,375
Bank overdrafts	(72,389)	(87,404)
	<hr/>	<hr/>
	(18,236)	(64,029)
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Group reorganisation and basis of consolidation

The Company was incorporated and registered in the Cayman Islands on 23rd January, 2001 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Honeylink Agents Limited, a company incorporated in the British Virgin Islands, has been the ultimate holding company of the Company since 16th May, 2002.

Pursuant to a group reorganisation (the "Reorganisation") to rationalise the structure of the Group in preparation for the listing of the shares of the Company on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group formed after the completion of the Reorganisation on 16th May, 2002.

The Reorganisation principally involved the exchange of shares of the Company with all the issued share capital of Get Nice Incorporated and the details are set out in the prospectus dated 24th May, 2002 issued by the Company.

The Group, excluding Get Nice Finance Company Limited and its subsidiary, Allex International Limited (collectively referred to as the "GNFCL Group") resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the unaudited condensed consolidated financial statements for the six months ended 30th September, 2002 have been prepared using the merger basis of accounting in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 27 "Accounting for Group Reconstructions". The GNFCL Group has been accounted for using the purchase method of accounting from the effective date of acquisition.

The unaudited condensed consolidated income statement and cash flow statement for the six months ended 30th September, 2001 and the audited condensed consolidated balance sheet as at 31st March, 2002 were prepared on a combined basis as if the current group structure excluding the GNFCL Group had been in existence throughout these periods. The results, cash flows, assets and liabilities of the GNFCL Group were not included in these financial statements because they were acquired by the Group after 31st March, 2002.

1. Group reorganisation and basis of consolidation (Continued)

All significant transactions and balances among the companies comprising the Group have been eliminated in the preparation of the respective unaudited condensed consolidated and condensed combined financial statements.

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including securities dealing and broking, futures and options broking, securities margin financing, corporate finance services, and brokerage of mutual funds and insurance-linked investment plans and products.

2. Principal accounting policies

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with applicable disclosure requirements of appendix 16 to the Listing Rules and SSAP 25 "Interim Financial Reporting". The accounting policies adopted are the same as those used in the Group's pro forma combined financial statements for the year ended 31st March, 2002.

In the current period, the Group has for the first time adopted a number of new and revised SSAPs issued by the Hong Kong Society of Accountants. The adoption of these SSAPs has resulted in a change of format of presentation of the cash flow statement and the statement of changes in equity but has no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

Cash flows statements

In the current period, the Group has adopted SSAP 15 (Revised) "Cash Flow Statements". Under SSAP 15, cash flows are classified under three headings – operating, investing and financing, rather than the previous five headings. Interest expenses, dividends received and dividends paid, which were previously presented under a separate heading, are classified as operating, investing and financing activities respectively. Cash flows arising from taxes on income are classified as operating activities, unless they can be separately identified with investing or financing activities.

3. Segment information

An analysis of the Group's unaudited turnover and segment results for the period by principal activities is as follows:

Business segments

For the six months ended 30th September, 2002

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Total HK\$'000
REVENUE					
Turnover	<u>20,116</u>	<u>13,291</u>	<u>638</u>	<u>-</u>	<u>34,045</u>
RESULTS					
Segment profit (loss)	<u>773</u>	<u>8,054</u>	<u>(158)</u>	<u>331</u>	<u>9,000</u>
Unallocated income and expenses					<u>317</u>
Profit before taxation					<u>9,317</u>
Taxation					<u>(1,699)</u>
Profit for the period					<u><u>7,618</u></u>

3. Segment information (Continued)

Business segments (Continued)

For the six months ended 30th September, 2001

	Broking HK\$'000	Securities margin financing HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Combined HK\$'000
REVENUE					
Turnover	<u>25,617</u>	<u>12,603</u>	<u>600</u>	<u>-</u>	<u>38,820</u>
RESULTS					
Segment profit (loss)	<u>2,059</u>	<u>7,184</u>	<u>(310)</u>	<u>3,171</u>	12,104
Unallocated income and expenses					<u>-</u>
Profit before taxation					12,104
Taxation					<u>(1,648)</u>
Profit for the period					<u>10,456</u>

Geographical segments

All the activities of the Group are based in Hong Kong and all of the Group's turnover and profit before taxation are derived from Hong Kong.

4. Taxation

	(Unaudited consolidated)	(Unaudited combined)
	Six months ended	Six months ended
	30th September, 2002	30th September, 2001
	HK\$'000	HK\$'000
Hong Kong Profits Tax		
Current period	1,699	2,056
Overprovision in prior year	–	(408)
	<u>1,699</u>	<u>1,648</u>

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profit for the period.

The Group did not have any significant unprovided deferred taxation for the period and at the balance sheet date.

5. Dividends

	(Unaudited consolidated)	(Unaudited combined)
	Six months ended	Six months ended
	30th September, 2002	30th September, 2001
	HK\$'000	HK\$'000
Final dividend paid on 12th September, 2002	9,000	–
Proposed interim dividend of HK 1.7 cents per share	<u>5,100</u>	<u>–</u>
	<u>14,100</u>	<u>–</u>

5. Dividends (Continued)

On 12th September, 2002, a dividend of HK\$0.03 per share was paid to shareholders as the final dividend for the year ended 31st March, 2002.

At a meeting held on 12th December, 2002, the directors recommended an interim dividend of HK\$0.017 per share for the six months ended 30th September, 2002 to the shareholders whose names appear in the register of members on 30th December, 2002. This proposed dividend is not reflected as a dividend payable in these unaudited condensed consolidated interim accounts, but will be reflected as an appropriation of retained earnings for the year ended 31st March, 2003.

6. Earnings per share

The calculation of basic earnings per share is based on the profit for the six months ended 30th September, 2002 of HK\$7,618,000 and on the weighted average of 272,950,820 shares in issue during the period on the assumption that the Reorganisation had been completed on 1st April, 2002.

The calculation of basic earnings per share for the six months ended 30th September, 2001 was based on the combined profit for the six months ended 30th September, 2001 of HK\$10,456,000 and on 225,000,000 shares in issue during the period on the assumption that the Reorganisation had been completed on 1st April, 2001.

Diluted earnings per share for the six months ended 30th September, 2001 and 2002 were not disclosed as there were no dilutive potential ordinary shares.

7. Trade debtors

	(Unaudited consolidated)	(Audited combined)
	30th September, 2002	31st March, 2002
	HK\$'000	HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	9,970	9,536
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	–	1,366
Loans to securities margin clients		
– Directors and their associates	5,049	6,015
– Other margin clients	283,212	234,639
Accounts receivable from HKFE Clearing Corporation Limited (“HKFECC”) arising from the business of dealing in futures contracts	1,532	1,367
Commission receivable from brokerage of mutual funds and insurance-linked investment plans and products	773	1,037
Amounts receivable arising from the business of providing corporate advisory services	–	1,475
	<u>300,536</u>	<u>255,435</u>

The settlement terms of accounts receivable from cash clients and HKSCC are two days after trade date, and from HKFECC is one day after trade date.

Except for the loans to securities margin clients and commission receivable from brokerage of mutual funds and insurance-linked investment plans and products as mentioned below, all the above balances aged within 30 days.

7. Trade debtors (Continued)

Loans to securities margin clients are secured by clients' pledged securities, repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

Commission receivable from brokerage of mutual funds and insurance-linked investment plans and products are settled within 60 days after the Group has submitted the subscription application/policies to the fund managers/policy issuers. The age of this balance is within 60 days.

8. Investments in securities

	(Unaudited consolidated)	(Audited combined)
	30th September	31st March
	2002	2002
	HK\$'000	HK\$'000
Trading securities		
Listed equity securities	832	151
Other securities		
Unlisted equity securities (<i>Note</i>)	43,292	43,078
	44,124	43,229
Market value of listed equity securities	832	151

Note: Unlisted equity securities is the Group's investment in DBS Diamond Holdings Limited, a company incorporated in Bermuda, with carrying amount of approximately HK\$43,292,000 (at 31st March, 2002: HK\$43,078,000). These unlisted securities are pledged to banks for general banking facilities provided to the Group.

9. Trade creditors

	(Unaudited consolidated)	(Audited combined)
	30th September, 2002	31st March, 2002
	HK\$'000	HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Cash clients	12,623	15,494
– HKSCC	2,329	–
Accounts payable to clients arising from the business of dealing in futures contracts	3,120	2,467
Amounts due to securities margin clients	16,560	11,886
Commission payable for brokerage of mutual funds and insurance-linked investment plans and products	935	633
	<u>35,567</u>	<u>30,480</u>

The settlement terms of accounts payable to cash clients and HKSCC are two days after trade date. The age of these balances is within 30 days.

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited (the "Futures Exchange"). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the Futures Exchange are repayable to clients on demand. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of futures contract dealing.

Amounts due to securities margin clients are repayable on demand. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

Commission payable for brokerage of mutual funds and insurance-linked investment plans and products are settled immediately upon the Group has received payments from fund managers/policy issuers. The age of this balance is within 60 days.

10. Share capital

	Ordinary Share of HK\$0.1 each	
	No. of shares	HK\$

Authorised:

At 31st March, 2002	1,000,000	100,000.00
Increase in authorised ordinary share capital pursuant to resolutions passed on 16th May, 2002	<u>1,999,000,000</u>	<u>199,900,000.00</u>
At 30th September, 2002	<u><u>2,000,000,000</u></u>	<u><u>200,000,000.00</u></u>

Issued and fully paid:

At 31st March, 2002		
Issued and fully paid	1	0.1
Issued nil paid	<u>999,999</u>	<u>–</u>
	1,000,000	0.1
Issued and fully paid pursuant to resolution passed on 16th May, 2002	1,000,000	100,000.00
Credited as fully paid for the 999,999 ordinary shares issued nil paid pursuant to resolution passed on 16th May, 2002	–	99,999.90
Capitalisation issue pursuant to resolution passed on 16th May, 2002	223,000,000	22,300,000.00
Placing and public offer of shares on 6th June, 2002	<u>75,000,000</u>	<u>7,500,000.00</u>
At 30th September, 2002	<u><u>300,000,000</u></u>	<u><u>30,000,000.00</u></u>

10. Share capital (Continued)

The changes in the Company's share capital during the period from date of incorporation to 30th September, 2002 are as follows:

- (i) The Company was incorporated with an authorized share capital of HK\$100,000 divided into 1,000,000 shares, one of which was allotted and issued at par on 30th January, 2001.
- (ii) On 30th January, 2001, 999,999 shares were allotted and issued nil paid to the then shareholders of the subsidiaries.
- (iii) Pursuant to resolutions in writing of the shareholders of the Company passed on 16th May, 2002:
 - the authorized share capital of the Company was increased to HK\$200,000 by the creation of a further 1,000,000 shares;
 - 1,000,000 ordinary shares of HK\$0.10 each were issued and credited as fully paid at par, and the 999,999 shares issued nil-paid on 30th January, 2001 were credited as fully paid at par, in exchange for the acquisition by the Company of the entire issued share capital of Get Nice Incorporated;
 - for the purpose of public issue, the authorized share capital of the Company was further increased from HK\$200,000 to HK\$200 million by the creation of 1,998 million shares; and
 - conditional on the share premium account being credited as a result of the public offer, 223 million ordinary shares of HK\$0.1 each were issued at par to the shareholders whose names appear on the register of members at the close of business on 16th May, 2002 (or as they may direct) in proportion to their then existing shareholdings in the Company by way of capitalization of a sum of HK\$22,300,000 standing to the credit of the share premium accounts.

10. Share capital (Continued)

(iv) On 6th June, 2002, pursuant to the offer of the Company's shares, 75,000,000 ordinary shares of HK\$0.10 each were issued to the public and institutional investors at HK\$1.00 per share for cash. The excess of the issued proceeds over the par value of the shares issued were credited to the share premium account.

The share capital as at 31st March, 2002 shown in the condensed consolidated balance sheet on page 2 represented the aggregate amount of the nominal values of the issued share capital of the companies comprising the Group other than the GNFCL Group as at that date.

11. Related Party Transactions

Name of related party	Nature of transaction	(Unaudited consolidated)	(Unaudited combined)
		Six months ended 30th September, 2002 HK\$'000	Six months ended 30th September, 2001 HK\$'000
Fullink Developments Limited	Rental expense (<i>Note i</i>)	900	900
Messrs. Shum Kin Wai, Frankie, Cham Wai Ho, Anthony and Cheng Wai Ho, and their associates	Commission income (<i>Note ii</i>) Interest income (<i>Note iii</i>)	37 75	106 168

Notes:

- (i) These transactions were transacted at prices agreed between the parties and in accordance with the relevant agreements governing the transactions, where applicable.
- (ii) Commission was charged at 0.25% on the value of transactions. The rate was similar to rates offered to other clients of the Group.
- (iii) Interest was charged at 8% to 14.5% per annum.

Messrs. Hung Hon Man and Cham Wai Ho, Anthony, directors of the Company, have beneficial interests in Fullink Developments Limited.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.7 cents per share for the six months ended 30th September, 2002. The interim dividend will be payable on or before 14th January, 2003 to those shareholders whose names appear on the register of members on 30th December, 2002.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 30th December to 31st December, 2002 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Secretaries Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on 27th December, 2002.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group recorded a total turnover of approximately HK\$34.0 million for the six months ended 30th September, 2002, representing a decrease by approximately 12.3% as compared to the corresponding figure for 2001. Net profit dropped by 27.1% to approximately HK\$7.6 million this period.

For the period under review, the stock market in Hong Kong was generally affected by the prolonged poor global economic performance. During the six month period ended 30th September, 2002, the average daily stock market turnover dropped to approximately HK\$6.6 billion, representing a decrease of 13% compared with the same period in 2001.

As a result, the revenue from brokerage segment decreased by 21.5% from approximately HK\$25.6 million in 2001 to approximately HK\$20.1 million this period. Interest income from margin financing has however slightly increased by about 5.5% to approximately HK\$13.3 million this period, mainly due to increase in average size of margin loan this period.

Significant investment held

As at 30th September, 2002, the Group held an unlisted equity securities in DBS Diamond Holdings Limited, a company incorporated in Bermuda, with carrying amount of approximately HK\$43.3 million (at 31st March, 2002 : HK\$43.1 million). During the period under review, a gain on holding this investment of approximately HK\$214,000 was recorded.

Liquidity, Financial Resources and Funding

As a result of successful listing of the Company's shares in June 2002, the capital structure of the Group has much improved. As at 30th September, 2002, the Group's net current assets was amounted to approximately HK\$247.1 million, as compared to approximately HK\$182.9 million at 31st March, 2002. The Group's outstanding borrowings has decreased from approximately HK\$186.7 million at 31st March, 2002 to approximately HK\$118.8 million, mainly attributable to the capitalization of a subordinated loan of HK\$60 million as a result of the Reorganisation prepared for the listing. The bank borrowings, being interest bearing on a floating rate basis, were principally procured to finance margin loan granted to securities margin client.

The gearing ratio of the Group, being total liabilities over total shareholders' funds, was also reduced to 0.6 times as at 30th September, 2002 (at 31st March, 2002 : 1.6 times).

As at 30th September, 2002, the Group's borrowings and facilities from banks and a licensed money lender were secured by margin client's pledged securities of approximately HK\$494.0 million and the Group's investments in securities with carrying value of HK\$43.3 million.

As at 30th September, 2002, the Group had available facilities from banks and a financial institution amounting to HK\$583.0 million of which approximately HK\$464.2 million was not utilized.

The business activities of the Group do not expose to material fluctuations in exchange rates as majority of the transactions are denominated in Hong Kong dollars.

As at 30th September, 2002, the Group had no material contingent liabilities and no material capital commitment.

Staff

As at 30th September, 2002, the Group had a total of 35 full time employees and 85 account executives, 19 of whom were also employed as full time employees of the Group. The staff are remunerated based on industry practice and performance of individual staff.

Use of proceeds of the share offer

Following the successful listing of the Company's shares on the main board of the Stock Exchange on 6th June, 2002, we have applied part of the listing proceeds according to the plans as mentioned in the prospectus:

	HK\$ (million)
Expansion of margin financing activities	13.0
Working capital of placing activities	10.0
Reducing bank borrowings	10.0
General working capital	8.3
	<hr/>
	41.3
	<hr/> <hr/>

The remaining balance of the net proceeds was placed into short term deposit and saving account. It is currently intended that they will be used in the coming years for the purposes as set out in the prospectus.

Future Plans and Prospect

The Directors concur with the market view that a more difficult and competitive operating environment will continue to phase out less efficient market participants. In this connection, the Board has been taking a conservative approach in business expansion, monitoring credit risk of margin loan and cost control on operation.

On a positive note, Hong Kong still has its own competitive edges including efficient legal system, freest trade environment in the world and close linkage with China. These elements are essential and attractive to different type of investors. The Group is optimistic about the development of financial sector in Hong Kong. We will continue to enhance the synergy of the Group's businesses and increase our market share in the industry.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES

1. Shares in the Company

At 30th September, 2002, the interests of the directors and their associates in the share capital of the Company as recorded in 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 interest	Number of ordinary shares held		Percentage of shareholding
		Corporate interest	Total	
Mr. Hung Hon Man	-	189,270,000 (<i>Note i</i>)	189,270,000	63.09%
Mr. Cham Wai Ho, Anthony	-	25,087,500 (<i>Note ii</i>)	25,087,500	8.36%
Mr. Shum Kin Wai, Frankie	10,642,500	-	10,642,500	3.55%

Notes:

- i. These shares are held by Honeylink Agents Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.
- ii. These shares are held by Chambray Resources Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Cham Wai Ho, Anthony.

DIRECTORS' INTERESTS IN SHARES (continued)

2. Shares in a subsidiary

At 30th September, 2002, the following directors held interests in the non-voting deferred shares of Get Nice Investment Limited, a wholly owned subsidiary of the Company:

Name of director	Number of non-voting deferred shares
Mr. Hung Hon Man	36,000,000 shares of HK\$1 each
Mr. Shum Kin Wai, Frankie	4,000,000 shares of HK\$1 each

Save as disclosed above, at 30th September, 2002, none of the directors, nor their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the directors, nor their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS

The share option scheme (the "Option Scheme") of the Company was conditionally adopted by the Company pursuant to a resolution passed on 16th May, 2002. The Option Scheme became effective on 6th June, 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The major terms of the Option Scheme has been set out in Appendix VII of the Prospectus under the section headed "Share Option Scheme".

At 30th September, 2002, the total number of shares available for issue under the Option Scheme was 30,000,000, representing 10% of the shares of the Company in issue at that date. However, there has been no option granted since the adoption of the Option Scheme.

ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS (continued)

Other than as disclosed above, at no time during the period was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such rights during the period.

SUBSTANTIAL SHAREHOLDERS

Other than the interests of Mr. Hung Hon Man in the shares of the Company referred to in the section headed "Directors' Interests in Shares" above, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no other person as having an interest in 10% or more in the issued share capital of the Company at 30th September, 2002.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the period from 6th June, 2002 (the date on which the shares of the Company listed on the Stock Exchange) to 30th September, 2002, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed shares of the Company.

AUDIT COMMITTEE

The audit committee has two members comprising Messrs. Liu Chun Ning, Wilfred and Lin Zhi Hang, both being independent non-executive directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee has reviewed with directors the accounting principals and practices by the Group and discussed internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated interim financial statements for the current period.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice as set out by the Stock Exchange in appendix 14 to the Listing Rules since its shares have been listed on the Stock Exchange on 6th June, 2002 except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code of Best Practice but are subject to retirement of rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

By order of the Board
Hung Hon Man
Chairman

Hong Kong, 12th, December 2002