

## INTERIM DIVIDEND

The directors have resolved not to declare an interim dividend for the six months ended 30th September, 2002 (six months ended 30th September, 2001: Nil).

## INTERIM RESULTS

For the six months ended 30th September, 2002, the Group reported a turnover of HK\$11,591,000 and a net loss of HK\$631,000 compared to HK\$162,307,000 and HK\$15,034,000 respectively for the corresponding previous period. Loss per share was HK0.02 cents. The reductions in the Group's turnover and net loss were primarily due to the Company's disposal of its remaining 51% interest in the loss-making pharmaceutical, health products and foodstuffs operations in November 2001, with the effect that the Group has since ceased to consolidate the results of these operations.

## BUSINESS REVIEW AND PROSPECTS

During the six months ended 30th September, 2002, the Group continued to engage in the four major business segments, namely, provision of finance, trading and investment in securities, property holding and investment, and investment activities. The Group's subsidiary engaged in the business of GPS-based public security systems and devices is in the course of setting up its manufacturing facilities in the PRC and production is scheduled to commence next year. At the period end date, the asset portfolio of the Group remained largely unchanged from that disclosed in the Company's 2001/2002 Annual Report.

For the period under review, the Group's financing and property operations continued to report satisfactory results whereas the securities and investment activities incurred small losses. Profit from the financing segment grew substantially to HK\$6,618,000 compared to HK\$1,437,000 for the previous period. The size of the Group's loan portfolio has further expanded and the Board is optimistic that the financing operation will continue to contribute positively to the Group's results. The property operations recorded a profit of HK\$835,000 compared to HK\$176,000 for the prior period. The profit growth of this segment was attributed to additional rental income derived from increased occupancy of the Group's properties during the period. The securities and investment activities recorded losses totalling HK\$1,731,000, representing mainly operational expenses incurred during the review period.

The Group has been successful in reducing its loss position substantially through disposal of some under-performing assets and adoption of various cost-cutting measures. The next goal of the management is to consolidate the Group's existing businesses and to develop new business ventures aiming to improve return to shareholders. Mainland related investments now represent a significant portion of the Group's investment portfolio. In view of the continuing strong growth of the PRC economy, the Board is optimistic that these investments will generate favorable return and pose a positive thrust to the Group's future results.