



INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 December 2002 (2001: Nil).

BUSINESS REVIEW

For the six months ended 31 December 2002, the Company reported a loss of approximately HK\$2.5 million (2001: HK\$2.5 million). It is due to the uncertainties and unfavorable factors across the world and led to poor investment sentiment in the global equity market. The loss of the Company is also mainly attributable to the operating expenses in Hong Kong.

In view of the sluggish stock market condition in the second half of 2002, the Company decided to shift their investment focus from Hong Kong stock market to other investment opportunities in the PRC. In September 2002, the Company has made a HK\$3.5 million investment in a company which is engaged in the mobile games development in the PRC. In this technology era, mobile games is undergoing a rapid expansion in the market.

PROSPECT

The PRC's accession to World Trade Organisation has provided a golden opportunity for foreign investors. According to the Service News Centers of MPIS as at 28 February 2003, it is noted that there is a sharp increase by 65.34% of foreign investments in the PRC in January 2003 as compared to the same period over last year. It is also noted that the foreign funding flow in 2002 has shifted from the United States to the PRC by 22%.

We have a strong belief in our conviction of the investments in the PRC, especially we have taken a diversified investment approach on various industries including professional consultancy, science and technology as well as traditional manufacturing, etc.

China has undergone a series of reforms. The government has placed heavy emphasis to promote not only national high and new technology industry development projects, but also professional industries, for example, legal and accountancy, etc. Although most of our investments are still at the early stage, we can see there is a large room for development as well as a significant potential market in the PRC and other countries.

We are very optimistic regarding our future performance of the investments in the medium term.