

RESULTS

For the year ended 31st December 2002, the Group recorded a turnover of HK\$172 million and profit attributable to shareholders of HK\$49 million as compared to HK\$298 million and HK\$65 million respectively in 2001. Basic earnings per share decreased from HK\$5.77 cents in 2001 to HK\$4.32 cents in 2002, down by 25%.

ACQUISITION OF A SUBSIDIARY

In December 2002, the Group acquired the entire interest of Shanghai Transvision Network Application Services Company Limited ("Transvision") at a total consideration of HK\$50,000,000. Transvision, its subsidiary and its associated company engage in the business of providing consultancy service on the provision of logistic information; to research and develop system software for logistics and insurance business; and to provide insurance brokerage service. The expertise of Transvision in logistics and insurance sectors in Shanghai is expected to contribute tremendously to the development of the Company's industry network and revenue base in Shanghai.

DISPOSAL OF LONG TERM LISTED SHARES

During the year, the Group disposed of some US listed shares which were held for long term investment purpose. The sale proceed and gain on the disposal amounted to approximately HK\$17.1 million and HK\$7.6 million respectively.

LIQUIDITY AND FINANCIAL RESOURCES

The operation and investment activities of the Group were principally financed by internal resources. The Group's principal operations are mainly transacted and recorded in Hong Kong dollars and Renminbi. As at 31st December 2002, the Group had cash and bank balances of approximately HK\$254 million, investment in marketable securities of HK\$23 million and a gearing ratio (total liabilities excluding minority interest to shareholders' funds) of 3.7%. The Group's deposits are placed with our principal bankers at competitive time deposit interest rate.

PLEDGE OF ASSETS

Certain properties of the Group with an aggregate net book value of approximately HK\$93 million as at 31st December 2002 (2001: HK\$95 million) as well as fixed deposits of HK\$15 million (2001: HK\$15 million) were pledged as securities against bank loans and general banking facilities amounting to HK\$120 million (2001: HK\$120 million) granted to the Group.

EMPLOYEES

As at 31st December 2002, the Group employed 517 staff, of which 442 are located in the Chinese Mainland. Employee remuneration is performance based and is reviewed annually. In addition to basic salary payments, other staff benefits include medical schemes, defined contribution provident fund schemes and employee shares option scheme. Training courses are provided to staff where necessary.