

INTERIM RESULTS

The board of directors of Star East Holdings Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2003, together with comparative figures for the corresponding period in 2002. The interim results have been reviewed by the auditors, Deloitte Touche Tohmatsu, in accordance with the Statement of Auditing Standards No. 700 “Engagements to Review Interim Financial Reports” issued by the Hong Kong Society of Accountants and the Audit Committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2003

	Notes	Six months ended 30th September,	
		2003 HK\$'000 (unaudited)	2002 HK\$'000 (unaudited)
Turnover	3	39,733	61,520
Cost of sales		(13,762)	(22,440)
Direct expenses		(25,548)	(31,650)
		<u>423</u>	<u>7,430</u>
Other operating income		4,315	6,076
Unrealised gain on other investments		15	12,992
Distribution costs		(353)	(2,701)
Administrative expenses		(24,428)	(30,396)
Write back (provision) of allowances for loans and interest receivables		18,909	(16,464)
Allowance for consideration receivable on disposal of interest in an associate		(3,380)	-
Impairment loss recognised in respect of investments in securities		(12,001)	(22,000)
Allowance for properties held for resale		-	(10,000)
Deficit arising on revaluation of investment properties		-	(2,100)
		<u>-</u>	<u>(2,100)</u>
Loss from operations	4	(16,500)	(57,163)
Finance costs	5	(3,919)	(5,222)
Gain on disposal and deconsolidation of interests in subsidiaries		8,806	12,831
Gain on dilution of interest in an associate (Allowances for) recovery of amounts due from jointly controlled entities		-	3,810
Allowances for amounts due from associates		(809)	1,386
Share of results of associates		(1,151)	(8,154)
Share of results of jointly controlled entities		(511)	(20,439)
		<u>(465)</u>	<u>(3,712)</u>
Loss before taxation		(14,549)	(76,663)
Taxation	6	(484)	(51)
		<u>(15,033)</u>	<u>(76,714)</u>
Loss before minority interests		(15,033)	(76,714)
Minority interests		76	34
		<u>76</u>	<u>34</u>
Net loss for the period		<u>(14,957)</u>	<u>(76,680)</u>
Loss per ordinary share – Basic	7	<u>HK\$(0.0044)</u>	<u>HK\$(0.0345)</u>