

INTERIM DIVIDEND

The directors of the Company (the "Directors") have resolved not to declare an interim dividend for the six months ended 30th September, 2003 (six months ended 30th September, 2002: nil).

INTERIM RESULTS

The Directors are pleased to report that there was a marked improvement in the Group's results for the six months ended 30th September, 2003. The Group recorded a net profit of HK\$4,100,000 against the prior period's net loss of HK\$631,000 and earnings per share were HK0.13 cents. The turnaround of the Group's results was primarily due to the success of management in controlling costs, and the increase in profitability of the Group's financing business.

OPERATIONS REVIEW

For the period under review, the Group continued to be principally engaged in its financing, securities, property and investment businesses. The Group's turnover was HK\$10,648,000 and an overall operating profit of HK\$1,765,000 was achieved against the prior period's operating loss of HK\$238,000. Administrative expenses of the Group dropped by 31% to HK\$6,996,000 principally as a result of stringent cost control imposed by management whereas increase in other operating expenses was mainly due to the impairment loss of HK\$5,660,000 recognized against the Group's intangible asset during the period. The intangible asset represents technology possessed by the Group for the manufacture of global positioning security systems, due to the change in market valuation of such technology, the Directors considered that it is appropriate to recognize an impairment loss against the carrying value of the intangible asset.

The improved operating results were mainly attributable to the increased profit contribution from the Group's financing activities. When compared against the prior period, profit of this segment surged by 56% to HK\$10,303,000 and revenue by 50% to HK\$10,634,000. The financing segment has been a stable and major contributor to the Group's turnover and operating profit in the past years. As a result, it is the Group's operational strategy to utilize a large part of its liquid assets on hand as working capital for its financing activities pending their use for other investment opportunities. Comparing to the preceding balance sheet date, the Group's short-term loans increased by 31% to HK\$324,515,000 as a large part of other receivables settled during the period was directed to the financing segment as its working capital. The performance of the Group's other operations in securities and properties are satisfactory during the review period. Although the Group was less active in these businesses, both segments contributed profits to the Group and the operating profit of the securities segment represented mainly unrealized gain of holding marketable securities. As for the Group's investment activities, the 22.5% owned investee company, Xi'an Yizhiliu Pharmaceutical Co., Ltd. ("Yizhiliu") was adversely affected by the outbreak of the Severe Acute Respiratory Syndrome ("SARS") in China and had recorded a decline in sales and an operating loss during the review period. After SARS was under control, sales activity of Yizhiliu started to pick up and its performance is expected to improve in the remainder of the financial year. The Group's subsidiary engaged in the manufacturing of global positioning security systems is in the course of finalizing the modifications and upgrading of its production technology. Final pre-production testing of such technology is scheduled to be within the first quarter next year and production is expected to commence before end of 2004.

During the period, the Group disposed of certain subsidiaries including a company which owns the rights to acquire part of the shopping mall of Metropolitan Plaza situated in Shenzhen, the People's Republic of China as stated in the Company's announcement dated 13th May, 2003. The profit on disposal of these subsidiaries was HK\$500,000.