

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended September 30, 2001 (the “Period”), Emperor (China Concept) Investments Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) recorded a turnover of approximately HK\$17.5 million, representing an increase of 5.7% as compared with that of the previous corresponding period. The increase in turnover was mainly due to improved performance in the property investment and development market in the People’s Republic of China (“PRC”).

During the Period, the loss attributable to shareholders was approximately HK\$8.8 million as compared to a loss of approximately HK\$20.3 million for the previous corresponding period. The profit of approximately HK\$26.0 million recorded in the interim report for the previous corresponding period had been restated to a loss of approximately HK\$20.3 million in order to conform with the accounting policies adopted in the Group’s annual financial statements for the year ended March 31, 2001. The results of the Period improved mainly due to the reduction of finance costs of the Group by about HK\$5.7 million and the net appreciation in property revaluation of approximately HK\$3.1 million.