

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2002, the Group recorded a turnover of HK\$279.34 million, representing a significant increase of 138.09% as compared to HK\$117.32 million in the preceding year. Profit attributable to shareholders was HK\$74.37 million, surging for 178.15% compared to HK\$26.74 million in the last corresponding period. During the period under review, 89.57% of turnover was derived from the PRC while the remaining balance came from Hong Kong and overseas.

The robust growth in turnover was mainly attributable to the Group's three-pronged business strategy. During the period under review, sales of home and personal care products experienced a substantial growth with regard to the Group's effective marketing tactics and product development. The introduction of Marjorie Bertagne ("MB") and the sales of Human Epidermal Growth Factor ("hEGF") in bio-active form as a raw material also generated additional revenue to the Group. In addition, sales of industrial surfactants was stronger than ever thanks to the exponential increase in demand from textile and garment manufacturers in Hong Kong and the PRC subsequent to the post-WTO quota relaxation. These all have accelerated Global Green's business development during the period under review.

Gross profit margins for the six months ended 30 June 2002 increased to 52.51% from that of 40.41% for the same period last year. Higher profit margins have been generated from new products such as "hEGF" saleable in bio-active form and the introduction of MB series during the period.