

The Board of Directors of SW Kingsway Capital Holdings Limited ("the Company") are pleased to present the interim report and unaudited condensed accounts of the Company and its subsidiaries ("the Group") for the six months ended 31st December 2002 together with comparative figures for the corresponding period last year as follows:

## CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2002

	Note	Unaudited Six months ended 31/12/2002 HK\$	Unaudited Six months ended 31/12/2001 HK\$
<b>TURNOVER</b>	2	<b>(80,324,944)</b>	116,224,642
<b>OTHER REVENUES</b>	2	<b>336,164</b>	987,488
<b>TOTAL REVENUES</b>		<b>(79,988,780)</b>	117,212,130
<b>OPERATING EXPENSES</b>			
Commission expenses		(4,771,062)	(7,029,930)
General and administrative expenses		(41,834,859)	(37,837,098)
<b>OPERATING (LOSS)/PROFIT</b>		<b>(126,594,701)</b>	72,345,102
Finance costs		(1,696,274)	(36,416)
		<b>(128,290,975)</b>	72,308,686
Share of results of associated companies		(578,655)	(129,076)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	3	<b>(128,869,630)</b>	72,179,610
Taxation	4	(1,955,286)	(2,138,311)
<b>(LOSS)/PROFIT AFTER TAXATION</b>		<b>(130,824,916)</b>	70,041,299
Minority interests		(77,826)	48,378
<b>(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>(130,902,742)</b>	70,089,677
<b>INTERIM DIVIDEND</b>	5(a)	<b>10,409,941</b>	11,377,058
<b>(LOSS)/EARNINGS PER SHARE</b>	7		
Basic		<b>(12.6) cents</b>	6.8 cents
Diluted		<b>N/A</b>	6.6 cents

The Group's accounting policy is to value marketable securities at their fair value. The practice has consistently been applied to mark the marketable securities based on quoted market prices, at the balance sheet date, less provisions as considered appropriate by the directors and to recognise the unrealised gains or losses in the profit and loss account. For the current interim results, the Group has made a significant provision in respect of one particular investment in its marketable securities portfolio due to, inter alia, circumstances concerning the investment including its liquidity and a substantial decline in its market price subsequent to the balance sheet date. The investment has been stated at cost, which represents the directors' best estimate of its fair value at the balance sheet date, for the purposes of the current interim results. Had the investment not been stated at cost but valued at its market price at the balance sheet date, an unrealised profit of approximately HK\$134 million would have been recognised by the Group and the condensed consolidated profit and loss account of the Group for the six months ended 31st December 2002 would be as follows:

	<b>Unaudited Six months ended 31/12/2002 HK\$</b>	<b>Unaudited Six months ended 31/12/2001 HK\$</b>
<b>TURNOVER</b>	<b>53,266,368</b>	116,224,642
<b>OTHER REVENUES</b>	<b>336,164</b>	987,488
<b>TOTAL REVENUES</b>	<b>53,602,532</b>	117,212,130
<b>OPERATING EXPENSES</b>		
Commission expenses	(4,771,062)	(7,029,930)
General and administrative expenses	(41,834,859)	(37,837,098)
<b>OPERATING PROFIT</b>	<b>6,996,611</b>	72,345,102
Finance costs	(1,696,274)	(36,416)
	<b>5,300,337</b>	72,308,686
Share of results of associated companies	(578,655)	(129,076)
<b>PROFIT BEFORE TAXATION</b>	<b>4,721,682</b>	72,179,610
Taxation	(1,955,286)	(2,138,311)
<b>PROFIT AFTER TAXATION</b>	<b>2,766,396</b>	70,041,299
Minority interests	(77,826)	48,378
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>2,688,570</b>	70,089,677