

PALADIN LIMITED

The Board of Directors (the “Board”) of Paladin Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 31 December, 2002.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER, 2002

| | | Unaudited six months ended 31 December | |
|-------------------------|--------------|---|------------------------------|
| | | 2002 | 2001 |
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Turnover | 2 | 10,338 | 7,548 |
| Cost of sales | | <u>(10,289)</u> | <u>(7,481)</u> |
| Gross profit | | 49 | 67 |
| Other revenue | | 74 | 113 |
| Depreciation | | (2,300) | (2,363) |
| Administrative expenses | | <u>(5,028)</u> | <u>(4,406)</u> |
| Loss from operations | | (7,205) | (6,589) |
| Finance costs | | <u>(15,821)</u> | <u>(17,279)</u> |
| Net loss for the period | | <u><u>(23,026)</u></u> | <u><u>(23,868)</u></u> |
| Basic loss per share | 4 | <u><u>HK(4.36) cents</u></u> | <u><u>HK(4.52) cents</u></u> |