

BUSINESS REVIEW AND PROSPECTS

The results

During the period, the Group recorded an increase in its turnover from approximately HK\$9,562,000 to approximately HK\$19,546,000, and net loss from ordinary activities attributable to shareholders for the period is approximately HK\$11,674,000 as compared to the net loss of approximately HK\$135,456,000 for the same period in 2001. The increase in turnover was mainly due to the consolidation of the results of the Group's investment in the hotel resort in Indonesia (the "Resort"), which was treated as an associate during the comparative period. Since there was no further provision made for the unsound investment which were acquired in the previous years, the net loss for the period is therefore reduced significantly. Moreover, the management's effective cost control on the daily operation also contributed to the decrease in the Group's net loss for the period under review.

Property investment

There had been no change in the properties held by the Group during the period. The average annual rental yield for the Group's investment properties was stable and was kept at approximately 7.5% which was the same as that in the comparative period.

Hotel resort

Turnover of the Resort, which the Group has 50% equity interest, recorded an increase of 67% to approximately HK\$10,059,000 from approximately HK\$6,015,000 for the same period last year. By increasing the number of the travel agent and advertising program, average occupancy rate had improved from about 45%-50% last year to 55%-60% for the period under review. The management believes that with the improvement in its sales and marketing strategies, the Resort will attract more tourists all over the world especially from the Asian Pacific region.

業務回顧及展望

業績

期內，本集團營業額由約9,562,000港元增加至約19,546,000港元，股東應佔日常業務虧損淨額約為11,674,000港元，而二零零一年同期則為虧損淨額約135,456,000港元。營業額之增加，主要因為已綜合處理本集團投資於印尼酒店度假邨（「度假邨」）之業績，其業績在去年同期則視作聯營公司處理。由於本集團無須對以往年度所收購之欠穩健投資作進一步撥備，故期內虧損淨額得以大幅減少。此外，管理層對日常運作實施之成本監控措施亦減少本集團在回顧期內之虧損淨額。

物業投資

期內，本集團所持物業並無變動，投資物業之每年平均租金回報率穩定並保持約7.5%，與去年同期相若。

酒店度假邨

本集團擁有50%股本權益之度假邨錄得營業額增加，增幅達67%至約10,059,000港元，而去年同期則約為6,015,000港元。透過增加旅遊代理數目及加強廣告宣傳計劃，度假邨之平均入住率由去年約45%至50%，增至回顧期內之55%至60%。管理層相信，隨著改善其銷售及市場推廣策略，度假邨將吸引更多來自世界各地（特別是亞太地區）的旅遊人士。

BUSINESS REVIEW AND PROSPECTS (Continued)

Hotel resort (Continued)

Pursuant to a shareholder agreement entered into between the Group and the remaining shareholder of the Resort dated 2 April 2002, the Group obtained majority control over the composition of the board of directors of the Resort with effective from the agreement date. As a result, the Resort had been treated as a subsidiary of the Group and its results were consolidated into the Group's results starting from current period.

Internet services

Through the Group's four websites with domain names <http://www.landsearch.com.hk>, <http://www.ivaluer.com.hk>, <http://www.ipropertyguard.com.hk> and <http://www.legalsearch.com.hk>, the Group continues to provide a wide range of online property information services to the subscribers including the provision of encumbrance and litigation information, professional valuation services, market research analysis and risk and credibility assessment. Moreover, by joining the iSearch Club, subscribers can perform online searches on companies, business and vehicle registrations as well as bankruptcy orders. Turnover for the period recorded a continuing increase of 28% as compared to the comparative period in 2001. The results are encouraging and showing the increasing acceptance of the public on the use of our internet services, especially after the burst of the IT bubble in 2001. The management believes that credit risk assessment will remain high in demand during the forth-coming years in view of the increasing number in cases of both personal and corporate bankruptcy.

業務回顧及展望 (續)

酒店度假邨 (續)

根據本集團與度假邨其餘董事於二零零二年四月二日訂立之股東協議，本集團由該協議日期起取得度假邨董事會之控制權。因此，度假邨被視作本集團一附屬公司，其業績由本期間開始綜合至本集團業績內。

互聯網服務

本集團透過其四個網站，域名分別為 <http://www.landsearch.com.hk>、<http://www.ivaluer.com.hk>、<http://www.ipropertyguard.com.hk>及 <http://www.legalsearch.com.hk>，繼續向用戶提供多元化的網上物業資訊服務，包括提供產權負擔及訴訟資料服務、專業估值服務、市場研究分析及風險與信貸評估服務。此外，用戶更可透過加入「iSearch會」在網上查冊公司、商業登記、汽車登記及破產法令等資料。期內，互聯網投資營業額持續攀升，較二零零一年同期增加28%。此成績令人鼓舞，顯示公眾日漸接納本集團互聯網服務，尤其於資訊科技業經歷二零零一年泡沫爆破後，獲得公眾認同更形重要。管理層相信，由於個人及企業破產個案不斷上升，信貸風險評估服務需求將在來年持續高企。

BUSINESS REVIEW AND PROSPECTS (Continued)**Electronic products**

The sales in the wireless headsets for the period dropped significantly from approximately HK\$7,107,000 for the same period last year to approximately HK\$716,000 for the period under review. The decrease was mainly due to the keen competition in wireless headset products and the shortening of the product life cycle of telecommunication products arising from the rapid changes in the technology industry. During the period under review, the Group has been undergoing modification to the product so that more advanced features will be added onto the new models in a cost-effective manner. The management believes that a stable model with up-to-date design under a reasonable price will definitely attract more potential worldwide customers.

Trading in marketable securities

During the period under review, the Group did not have material acquisition and disposition of marketable securities. The loss of approximately HK\$62,000 for the period was mainly due to the provision for diminution in market values of the marketable securities held by the Group as at 30 September 2002.

業務回顧及展望 (續)**電子產品**

期內，無線耳筒銷售額大幅下降，由去年同期約7,107,000港元減少至回顧期內約716,000港元。銷售額減少主要因為無線耳筒產品市場競爭激烈，加上科技發展一日千里，從而縮短電訊產品壽命週期。於回顧期間，本集團正努力不斷改善產品質素，以更具成本效益方式為新產品引進更多先進功能。管理層相信，設計新穎、價錢公道及性能穩定的產品定將吸引全球更多有興趣之客戶。

買賣有價證券

於回顧期內，本集團並無大量收購或出售有價證券。期內錄得約62,000港元之虧損主要因為本集團對於二零零二年九月三十日所持有價證券之市值出現減值而作出撥備所致。

BUSINESS REVIEW AND PROSPECTS (Continued)

Cruise liner operation

Subsequent to the balance date, on 17 October 2002, by entering into the Charter Agreements, the Sub-charter Agreements and the Management Agreements, the Group chartered two vessels (the "Vessels") from the owners of the Vessels and sub-chartered the Vessels to an independent third party with effective from 27 November 2002, providing cruise services in the Southeast Asia region. The offering of the cruise service shall serve to compliment the resort operations of the Group by offering a variety of cruise and ground resort services to tourists in the region. The management believes that the provision of the cruise line services will enable the Group to diversify itself into the Asian cruise line business with a stable revenue base, and facilitate the establishment of brand loyalty and enable the provision of a complete "resort experience" to the Asia Pacific tourism industry.

PRC film processing business

In view of the substantial loss of the film processing business in the PRC in the past years and the continuing keen competition in this industry in the PRC, the Group decided to cease the film processing business in the third quarter of 2002 in order to reduce further loss. The liquidation procedure has commenced and it is expected to be completed in early 2003. Loss attributed to film processing business for the period was approximately HK\$1,395,000 as compared to approximately HK\$3,521,000 for the same period last year.

Capital commitment

As at the balance sheet date, the Group had a total commitment of approximately HK\$64,712,000, representing the remaining construction cost of a property currently under development in Malaysia. Since the site plan and usage of this property had been altered by the principal developer without the prior consent of the management of the Group. The directors are in the progress of seeking legal advice to determine the appropriate course of action to be taken.

業務回顧及展望 (續)

郵輪業務

於結算日後，於二零零二年十月十七日，本集團分別訂立租用協議、分租協議及管理協議，本集團並由二零零二年十一月二十七日起正式向郵輪船主租用兩艘郵輪（「郵輪」），並分租予一獨立第三者，為亞太地區提供遠洋旅遊服務。透過為區內旅客提供遠洋旅遊與陸上度假服務，郵輪服務將有助本集團度假郵業務發展。管理層相信，提供郵輪服務不單令本集團多元化發展至亞洲郵輪業務，賺取穩定收入，而且更可促進客戶建立對本集團品牌忠誠度，並可為亞太地區旅遊業提供全面的「度假新體驗」。

中國膠卷沖印業務

由於本集團在中國之膠卷沖印業務在過去年度錄得大幅虧損，加上國內競爭劇烈，本集團遂於二零零二年第三季度決定終止膠卷沖印業務，避免進一步虧損。目前經已展開清算程序，預期將於二零零三年初完成。期內，來自膠卷沖印業務之虧損約1,395,000港元，去年同期則約為3,521,000港元。

資本承擔

於結算日，本集團之資本總承擔約為64,712,000港元，此乃目前位於馬來西亞正在發展中之物業之餘下建築成本。鑒於有關之主要發展商在未獲得本集團管理層事先同意前，擅自更改馬來西亞物業之地盤平面圖及用途，本集團正就此尋求法律意見，以決定所採取之適合行動。

BUSINESS REVIEW AND PROSPECTS (Continued)

Contingent liabilities

As at the balance sheet date, the Company had outstanding guarantees given to banks and a loan provider to secure general credit facilities granted to the Group in the amount of HK\$63,000,000. Credit facilities in the aggregate amount of approximately HK\$45,133,000 had been utilized by the Group in respect of these guarantees as at the balance sheet.

Liquidity and financial resources

As at the balance sheet date, the Group had net current liabilities of approximately HK\$34,385,000 and total indebtedness (representing the aggregate amounts of loans from banks and loan providers) of approximately HK\$51,859,000 as compared to approximately HK\$34,450,000 and HK\$67,240,000 respectively, as at 31 March 2002. The total indebtedness to equity ratio has improved from 0.7 times as at 31 March 2002 to 0.5 times as at the balance sheet date. As at the balance sheet date, the Group's total indebtedness was secured by mortgages over the Group's properties which had an aggregate net book value of approximately HK\$130,215,000 as at 30 September 2002. Moreover, except for approximately HK\$6,727,000 of the total indebtedness was denominated in Malaysian Ringgit, all the other indebtedness were denominated in Hong Kong dollars.

The Group's cash on hand as at 30 September 2002 was approximately HK\$2,408,000. Subsequent to the balance sheet date, on 26 November 2002, the Company allotted 277,126,638 ordinary shares at HK\$0.01 each, at a subscription price of HK\$0.30 each and at the basis of one rights share for every two shares held ("Rights Issue"). The net proceeds (after deducting issuing expenses of approximately HK\$2,100,000) of Rights Issue, amounting to approximately HK\$81,000,000, has further improved the Group's financial position and allowed the Group to seek for any investment with great potential arising from time to time in the future.

業務回顧及展望 (續)

或然負債

於結算日，本公司為本集團所獲一般備用信貸已向銀行及其他貸款者作出之擔保達63,000,000港元。本集團於結算日已就該等擔保款項已動用之備用信貸合共約45,133,000港元。

流動資金及財政資源

於結算日，本集團之流動負債淨額約為34,385,000港元，而總債務(指銀行及其他貸款者提供之貸款總額)則約為51,859,000港元，於二零零二年三月三十一日則分別約為34,450,000港元及67,240,000港元。總債務與股東權益比率由二零零二年三月三十一日之0.7倍改善至於結算日之0.5倍。於結算日，本集團之總債務以本集團於二零零二年九月三十日賬面淨值約130,215,000港元之物業作抵押。此外，除總債務中約6,727,000港元以馬來西亞元計值外，所有其他債務均以港元計值。

本集團於二零零二年九月三十日之手頭現金約為2,408,000港元。於結算日後，於二零零二年十一月二十六日，本公司以每股認購價0.30港元及以每持有兩股股份獲發一股供股股份之基準，配發277,126,638股每股面值0.01港元之普通股份(「供股」)。供股所得款項淨額(在扣除發行股份開支約2,100,000港元後)合共約81,000,000港元，已進一步改善本集團之財務狀況，令本集團日後可尋求任何不時湧現且具潛質的投資機會。

BUSINESS REVIEW AND PROSPECTS (Continued)

Human resources

As at 30 September 2002, the Group's total number of full-time employees was about 460, among which about 400 staff were based in Indonesia and 60 staff were based in Hong Kong. In addition to competitive remuneration package offered to the employees, share options of the Company may be granted by the Group in order to attract and retain talented employees. During the six months ended 30 September 2002, no share option had yet been granted.

Prospects

To summarise, the Group has successfully reduced its losses arising from those unsound investments and imposed stringent cost control on its daily operation. Through the fund raising exercise, the Group has improved its financial position and enlarged its capital base. The Group will continue to strengthen its revenue generating power. Furthermore, the management believes that the entering into the cruise liners operation business will not only broaden its revenue base, but also restore the Group to its profitability in the very near future.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

業務回顧及展望 (續)

人力資源

於二零零二年九月三十日，本集團之全職僱員總數約有460人，其中約400人長駐印尼，而60人留守香港。除為僱員提供優厚薪酬組合外，本集團可授出本公司之購股權以吸引及挽留出類拔萃之僱員。於截至二零零二年九月三十日止六個月內，本公司尚未授出任何購股權。

展望

簡而言之，本集團對日常運作實施之嚴格成本監控及清算欠穩健之投資，已成功削減虧損。同時，本集團透過股份融資，已大幅改善本集團財務狀況及擴大其資本基礎。本集團將繼續固本培元，強化賺取穩定收入能力之投資。此外，管理層預期，參與經營郵輪業務不單可擴闊本集團收入基礎，更可在不久將來可為本集團賺取溢利。

董事購買股份之權利

於本會計期內任何時間，並無授予任何董事或彼等各自之配偶或十八歲以下之子女透過購買本公司股份或債券而獲益之權利，而彼等亦無行使任何該等權利，同時，本公司或其任何附屬公司概無訂立任何安排，使董事可於任何其他法團獲得該等權利。