

RESULTS

The Board of Directors are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (“the Group”) for the six months ended 30 September 2003 as follows:

Condensed Consolidated Profit and Loss Account

		Six months ended 30 September	
		2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000 <i>(Restated)</i>
	<i>Notes</i>		
TURNOVER	2	335,853	688,303
Cost of sales		(307,885)	(636,309)
Gross profit		27,968	51,994
Other revenue and gains	3	10,048	8,774
Selling expenses		(463)	(1,242)
Administrative expenses		(14,606)	(16,090)
Other operating expenses		(3,222)	(1,428)
PROFIT FROM OPERATING ACTIVITIES		19,725	42,008
Finance costs		(4,197)	(7,031)
PROFIT BEFORE TAX	4	15,528	34,977
Tax	5	(818)	(10,375)
PROFIT BEFORE MINORITY INTERESTS		14,710	24,602
Minority interests		(8,033)	(14,702)
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		6,677	9,900
EARNINGS PER SHARE (HK cents)	6		
Basic		0.91	1.35
Diluted		0.91	N/A

Condensed Consolidated Balance Sheet

	Notes	As at 30 September 2003 <i>Unaudited</i> HK\$'000	As at 31 March 2003 <i>Audited & restated</i> HK\$'000
NON-CURRENT ASSETS			
Fixed assets		199,900	232,581
Investment properties		840,870	861,870
Deposit paid for purchase of a leasehold land		64,574	—
Properties under development		184,487	132,095
Interests in associates		234	229
Goodwill:			
Goodwill		346	1,740
Negative goodwill		(30,030)	(31,927)
Other assets		2,249	2,249
		1,262,630	1,198,837
CURRENT ASSETS			
Short term investments		200	174
Inventories		11,300	10,450
Properties held for sale		20,831	22,529
Amounts due from customers for contract works		107,877	79,415
Trade receivables	7	179,576	242,113
Other receivables, prepayments and deposits		24,141	22,462
Tax prepaid		2,160	1,520
Cash and bank balances		89,945	140,904
		436,030	519,567
CURRENT LIABILITIES			
Trade payables and accruals	8	137,997	164,185
Other payables, deposits received and receipts in advance		24,785	25,008
Amounts due to customers for contract works		10,171	16,087
Interest-bearing loans and borrowings		198,088	152,110
Tax payable		6,021	5,933
		377,062	363,323
NET CURRENT ASSETS		58,968	156,244
TOTAL ASSETS LESS CURRENT LIABILITIES		1,321,598	1,355,081
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings		137,107	180,080
Deferred tax		15,500	17,900
		152,607	197,980
		1,168,991	1,157,101
CAPITAL AND RESERVES			
Issued capital		73,186	73,186
Reserves		575,794	569,123
		648,980	642,309
MINORITY INTERESTS		520,011	514,792
		1,168,991	1,157,101

Condensed Consolidated Statement of Changes in Equity

	Issued share capital HK\$'000	Share premium account HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Total HK\$'000
At 31 March 2003							
As previously reported (<i>Audited</i>)	73,186	508,577	3,398	3,593	58,330	—	647,084
Prior year adjustment:							
SSAP 12 (Revised)							
- "Income taxes" (<i>Note 1</i>)	—	—	—	—	(4,775)	—	(4,775)
As restated	73,186	508,577	3,398	3,593	53,555	—	642,309
Net profit for the period	—	—	—	—	6,677	—	6,677
Exchange realignment	—	—	—	(6)	—	—	(6)
At 30 September 2003 (<i>Unaudited</i>)	<u>73,186</u>	<u>508,577</u>	<u>3,398</u>	<u>3,587</u>	<u>60,232</u>	<u>—</u>	<u>648,980</u>
At 31 March 2002							
As previously reported (<i>Audited</i>)	73,186	508,577	3,398	3,720	42,830	2,927	634,638
Prior year adjustment:							
SSAP 12 (Revised)							
- "Income taxes" (<i>Note 1</i>)	—	—	—	—	(8,700)	—	(8,700)
As restated	73,186	508,577	3,398	3,720	34,130	2,927	625,938
Net profit for the period (<i>as restated</i>)	—	—	—	—	9,900	—	9,900
Final dividend declared	—	—	—	—	—	(2,927)	(2,927)
Exchange realignment	—	—	—	(119)	—	—	(119)
At 30 September 2002 (<i>Unaudited</i>)	<u>73,186</u>	<u>508,577</u>	<u>3,398</u>	<u>3,601</u>	<u>44,030</u>	<u>—</u>	<u>632,792</u>

Condensed Consolidated Cash Flow Statement

	Six months ended 30 September	
	2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000
Net cash inflow/(outflow) from operating activities	(68,962)	107,327
Net cash inflow/(outflow) from investing activities	20,339	(14,055)
Net cash outflow from financing activities	(2,018)	(85,616)
Net increase/(decrease) in cash and cash equivalents	(50,641)	7,656
Cash and cash equivalents at beginning of period	140,586	139,425
Effect of foreign exchange rate changes, net	—	(116)
Cash and cash equivalents at end of period	<u>89,945</u>	<u>146,965</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	89,945	163,969
Bank overdrafts	—	(17,004)
	<u>89,945</u>	<u>146,965</u>

Notes

1 Basis of preparation and accounting policies

The unaudited condensed financial statements of the Group have been prepared in accordance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the Group's audited financial statements for the year ended 31 March 2003 except that the Group has adopted, for the first time, SSAP 12 (Revised) "Income taxes" which is effective for accounting periods commencing on or after 1 January 2003.

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts for 2002 have been restated accordingly.

As a result of this change in policy, the opening retained profits at 1 April 2002 have been decreased by HK\$8,700,000 which is the cumulative effect of the change in policy on the results for periods prior to 1 April 2002. Accordingly, the retained profits at 31 March 2003 was decreased by HK\$4,775,000. For the six months ended 30 September 2002, the profit for the period was restated and decreased by HK\$200,000.

2 Segment information

(a) Business segments

The following tables present revenue and profit/(loss) for the Group's business segments for the six months ended 30 September.

	Foundation piling		E&M engineering and building construction		Machinery leasing and trading		Property investment and management		Property development		Unallocated		Eliminations		Consolidated	
	2003 Unaudited HK\$'000	2002 Unaudited HK\$'000	2003 Unaudited HK\$'000	2002 Unaudited HK\$'000	2003 Unaudited HK\$'000	2002 Unaudited HK\$'000	2003 Unaudited HK\$'000	2002 Unaudited HK\$'000	2003 Unaudited HK\$'000	2002 Unaudited HK\$'000	2003 Unaudited HK\$'000	2002 Unaudited HK\$'000	2003 Unaudited HK\$'000	2002 Unaudited HK\$'000	2003 Unaudited HK\$'000	2002 Unaudited HK\$'000 (Restated)
Segment revenue:																
Sales to external customers	199,090	358,285	83,046	204,325	4,816	11,129	43,403	43,961	5,498	70,603	—	—	—	—	335,853	688,303
Intersegment sales	(11)	214	—	—	674	3,297	300	300	—	—	—	—	(963)	(3,811)	—	—
Total	199,079	358,499	83,046	204,325	5,490	14,426	43,703	44,261	5,498	70,603	—	—	(963)	(3,811)	335,853	688,303
Segment results	15,684	15,743	5,357	11,614	(6,180)	(3,763)	22,865	20,592	(3,819)	11,338	(14,857)	(14,410)	—	—	19,050	41,114
Interest income													674		892	
Dividend income													1		2	
Profit from operating activities													19,725		42,008	
Finance costs													(4,197)		(7,031)	
Profit before tax													15,528		34,977	
Tax													(818)		(10,375)	
Profit before minority interests													14,710		24,602	
Minority interests													(8,033)		(14,702)	
Net profit from ordinary activities attributable to shareholders													6,677		9,900	

2 Segment information (Cont'd)

(b) Geographical segments

The following tables present revenue and profit/(loss) for the Group's geographical segments for the six months ended 30 September.

	Hong Kong		Elsewhere in the PRC		Unallocated		Consolidated	
	2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000	2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000	2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000	2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000
Segment revenue:								
Sales to external customers	287,470	574,907	48,383	113,396	—	—	335,853	688,303
Segment results	18,183	24,576	15,495	30,948	(14,628)	(14,410)	19,050	41,114

3 Other revenue and gains

	Six months ended 30 September	
	2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000
Interest income	674	892
Insurance claims	1,159	427
Gain on disposal of fixed assets	1,895	1,548
Gain on disposal of an investment property	3,000	—
Unrealised holding gains on short term listed investments	26	21
Negative goodwill recognised as income during the period	1,897	1,897
Dividend income from listed investments	1	2
Others	1,396	3,987
	10,048	8,774

4 Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000
Amortisation of goodwill	2,365	516
Depreciation	35,234	42,365
Interest expenses	6,211	9,369
Less: Amount capitalised in properties under development	(2,014)	(2,338)
	4,197	7,031

5 Tax

	Six months ended 30 September	
	2003 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000 (Restated)
Provision for tax in respect of profit for the period:		
People's Republic of China:		
Hong Kong	1,391	3,827
Elsewhere	3,345	7,350
Overprovision in prior year:		
People's Republic of China:		
Hong Kong	—	(2)
Elsewhere	(1,518)	—
Deferred tax	3,218	11,175
	(2,400)	(800)
	818	10,375

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere in the People's Republic of China have been calculated at the applicable tax rates prevailing in the areas in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

6 Earnings per share

The calculation of basic earnings per share is based on the Group's net profit from ordinary activities attributable to shareholders of HK\$6,677,000 (2002: HK\$9,900,000 as restated) and on the weighted average number of 731,865,903 (2002: 731,865,903) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the net profit from ordinary activities attributable to shareholders of HK\$6,677,000 and on the weighted average number of 731,865,903 ordinary shares in issue during the period plus the weighted average number of 5,631,579 potential dilutive ordinary shares deemed to be issued in respect of the outstanding share options during the period.

The diluted earnings per share for the period ended 30 September 2002 has not been shown as the share options outstanding during the period had an anti-dilutive effect on the basic earnings per share for the period.

7 Trade receivables

	As at 30 September 2003 <i>Unaudited</i> HK\$'000	As at 31 March 2003 <i>Audited</i> HK\$'000
Trade receivables with aging analysis:		
Within 90 days	106,965	165,240
91 - 180 days	5,248	3,347
181 to 360 days	3,144	2,203
Over 360 days	1,087	304
	<u>116,444</u>	<u>171,094</u>
Retention receivables	63,132	71,019
	<u>179,576</u>	<u>242,113</u>

The Group has established credit policies that follow local industry standards. The average normal credit periods offered to trade customers are within 90 days, and are subject to periodic review by management.

8 Trade payables and accruals

	As at 30 September 2003 <i>Unaudited</i> HK\$'000	As at 31 March 2003 <i>Audited</i> HK\$'000
Trade payables with aging analysis:		
Within 30 days	63,239	70,605
31 - 90 days	1,543	11,791
91 - 180 days	946	2,135
Over 180 days	6,986	1,314
	<u>72,714</u>	<u>85,845</u>
Retention payables	25,802	27,390
Accruals	39,481	50,950
	<u>137,997</u>	<u>164,185</u>

9 Commitments and contingent liabilities

	As at 30 September 2003 <i>Unaudited</i> HK\$'000	As at 31 March 2003 <i>Audited</i> HK\$'000
(a) Future capital expenditure		
Contracted for but not provided in the financial statements	59,111	115,016
Authorised but not contracted for	—	—
	<u>59,111</u>	<u>115,016</u>
(b) Commitments under non-cancellable operating leases for land and buildings to make payments		
Within one year	4,840	5,956
In the second to fifth years inclusive	4,377	6,568
	<u>9,217</u>	<u>12,524</u>
(c) Contingent liabilities		
Long service payments	5,987	6,816
Guarantees in respect of performance bonds	103,757	156,015
	<u>109,744</u>	<u>162,831</u>

10 Comparative figures

As result from the change in accounting policy as set out in note 1, certain comparative amounts have been restated to conform with the current period's presentation.

BUSINESS REVIEW AND PROSPECTS

For the six months ended 30 September 2003, the Group's turnover and net profit attributable to shareholders were approximately HK\$336 million and HK\$6.7 million respectively.

Hong Kong Market

Foundation Piling

The SARS-induced economic contraction and continuing structural problems in the economy have undoubtedly deferred economic recovery and led to a prolonged winter for the property market and the construction industry. As a result, the Group's foundation and construction related businesses in Hong Kong were adversely affected.

During the period under review, the turnover of the Group's foundation division decreased to about HK\$199 million, while contribution to profit amounted to approximately HK\$15.7 million. Our effort in constantly enhancing operational efficiency and in maintaining high quality has enabled us to keep our competitiveness in this challenging climate. About 68 per cent. of the contracts of the Group's foundation division were from the public sector while the balance were from the private sector. Our major contracts on hand include the Housing Authority pilot scheme for the redevelopment of the Kwai Chung flatted factory into rental housing blocks and the West Kowloon Civil Aid Service training depot. Moreover, we continue to participate actively in the government's school improvement programme, undertaking works for schools such as Diocesan Preparatory School, Kau Yan and TWGHs Li Ka Shing College.

E&M Engineering and Building Construction

During the period under review, the turnover and contribution of the Group's E&M engineering and building construction divisions amounted to about HK\$83 million and HK\$5.4 million respectively. With their quality works, the two divisions managed to generate stable returns in this competitive environment.

Machinery Hiring and Trading

With our continuous effort in recent years, the Group's machinery hiring and trading division has successfully downsized its tower cranes division to an operationally efficient level. Furthermore, it is steadily building up its trading activities with other Asian countries, most notably Korea and Taiwan.

PRC Market

Property Development and Investment

With our investment focus in two major cities, Shanghai and Tianjin, in the past eight years, we have gained valuable knowledge in their social behaviour and consumer preference, accumulated significant experience and most importantly established genuine "guan xi". Our mid-range priced residential development project in Putuo, Shanghai is expected to commence in the first half of 2004. The Group is also expected to land firm on a development project in Tianjin in the second half of the financial year. We believe these two projects will pave way for the Group's development in the coming few years. Meanwhile, we will continue to seek for other attractive business opportunities.

As we have taken pro-active measures to safeguard the health and well-being of our tenants, the effect of SARS on the Group's investment properties in the PRC, namely Tianjin International Building in Tianjin and China Garden and Aidu Apartment in Shanghai, has been minimal. With our quality service and efficient management, together with the continuous appeal of Shanghai and Tianjin to foreign businesses, our service apartments have continued to attract a strong client base and enjoy satisfactory occupancy rates and stable returns.

Capital Structure and Liquidity

The Group continues to adopt a prudent financial policy and maintains a sound capital structure with healthy cashflow, which allows it the flexibility to capture future opportunities. As at 30 September 2003, the Group's cash on hand amounted to about HK\$90 million, while total assets and net assets amounted to approximately HK\$1,699 million and HK\$649 million respectively. Working capital was about HK\$59 million, while net borrowings were approximately HK\$245 million, an increase of around 28% as compared with HK\$191 million as at 31 March 2003. The total liabilities to total assets gearing ratio was maintained at a prudent level of 31.2 per cent., an improvement from 32.7 per cent. (revised) as at 31 March 2003.

As at 30 September 2003, contingent liabilities in relation to guarantees in respect of performance bonds decreased to about HK\$104 million (31 March 2003: HK\$156 million), while certain of the Group's fixed assets with an aggregate net book value of about HK\$233 million (31 March 2003: HK\$256 million) have been pledged to secure certain banking facilities of the Group. The Group's bank borrowings were mostly denominated in Hong Kong dollars but Renminbi loan facilities have also been arranged for its PRC subsidiaries. The currency exposure in the Renminbi borrowings has been hedged by the Group's Renminbi assets and revenue as generated from its PRC properties.

Prospects

The economy of Hong Kong is gradually moving back to the pre-SARS level with the restoration of confidence of the international community in Hong Kong, an improvement in local sentiment as well as the influx of mainland tourists following the relaxation of travel restrictions. Whilst some positive signs have emerged recently, there is still the need for further improvement in employment prospects and local consumption before there is true economic recovery. Though we are of the view that the economy has already reached the trough, we expect the construction industry to remain competitive in the near future. Since the Group has already anticipated such phenomenon, it has already taken measures to improve its efficiency and counterbalance the effects of such challenges. In the unlikely event that the difficult environment persists, the Group has further contingency plans to cater for a long-drawn-out winter.

China's significance in the global economy has been growing quickly and its role on the world stage is expected to be immeasurable. Its entry into the WTO and the CEPA arrangements with Hong Kong clearly demonstrate that China is a market that no one can afford to ignore. Thanks to our strategic decision in the mid-1990s in expanding into China, we are now well equipped to take on the numerous opportunities in this market with immense potential and are confident of the Group's future success.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend (2002: Nil) for the six months ended 30 September 2003.

EMPLOYMENT AND REMUNERATION POLICIES

The Group, including its subsidiaries and joint ventures in Hong Kong and the PRC, employed approximately 1,000 employees as at 30 September 2003. The Group's remuneration policies are primarily based on prevailing market wages and the performance of the respective companies and individuals concerned. Fringe benefits, including provident fund, medical insurance and training, are provided. In addition, share options may be granted in accordance with the terms of the Group's approved share option scheme.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

At 30 September 2003, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules were as follows:

Long positions in shares of the Company:

Name of directors	Number of ordinary shares held and nature of interest			
	Personal	Corporate	Other	Total
Mr. Francis Cheung	32,820,600	179,685,000 ⁽¹⁾	54,247,200 ⁽²⁾	266,752,800
Mr. Fung Chiu Chak Victor	25,865,600	—	—	25,865,600
Mr. David Chien	96,521,020	—	—	96,521,020
Mr. Chiu Chin Hung	404,000	—	—	404,000
Mr. Wong Kay	1,265,000	—	—	1,265,000

Long positions in shares of associated corporations of the Company:

Name of directors	Name of associated corporation	Number of ordinary shares held and nature of interest		
		Personal	Corporate	Total
Mr. Fung Chiu Chak Victor	Tysan Building Construction Company Limited	3,570,000	—	3,570,000
	Tysan Engineering Company Limited	800	—	800
	Tysan Trading Company Limited	20	—	20
Miss Jennifer Kwok	Tysan Trading Company Limited	—	20 ⁽³⁾	20
Mr. Wong Kay	Tysan Engineering Company Limited	1,700	—	1,700

Notes :

- 171,237,000 shares were held by Power Link Investments Limited and 8,448,000 shares were held by Long Billion International Limited. Both of these companies were controlled by Mr. Francis Cheung.
- Such shares were held by a discretionary trust the founder of which is Mr. Francis Cheung.
- These shares were held by JM Concept Company Limited which was controlled by Miss Jennifer Kwok.

Save as disclosed above, none of the directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

On 27 September 2000, the Company adopted a share option scheme (the “Old Scheme”), for the purpose of providing incentives and rewards to eligible participants who contributed to the success of the Group’s operations. The Old Scheme was terminated and replaced by a new share option scheme at the annual general meeting of the Company held on 28 August 2002 (the “New Scheme”). Upon termination of the Old Scheme, no further options can be granted thereunder but in all other respects, the provisions of the Old Scheme shall remain in force and any options granted prior to such termination shall continue to be valid and exercisable in accordance herewith.

As at 30 September 2003, details of share options granted to the directors or eligible employees under the share option schemes of the Company were as follows:-

(a) Old Scheme

Name or category of participant	Number of share options					At 30 September 2003	Date of grant	Exercise period	Exercise price HK\$
	At 1 April 2003	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				
Directors of the Company									
Mr. Francis Cheung	3,000,000	—	—	—	—	3,000,000	21 March 2001	1 April 2002 to 31 March 2004	0.200
Mr. Fung Chiu Chak Victor	3,000,000	—	—	—	—	3,000,000	21 March 2001	1 April 2002 to 31 March 2004	0.200
Mr. David Chien	1,500,000	—	—	—	—	1,500,000	21 March 2001	1 April 2002 to 31 March 2004	0.200
Miss Jennifer Kwok	1,500,000	—	—	—	—	1,500,000	21 March 2001	1 April 2002 to 31 March 2004	0.200
Mr. Chiu Chin Hung	1,500,000	—	—	—	—	1,500,000	21 March 2001	1 April 2002 to 31 March 2004	0.200
Mr. Wong Kay	1,500,000	—	—	—	—	1,500,000	21 March 2001	1 April 2002 to 31 March 2004	0.200
Other employees									
In aggregate	3,600,000	—	—	—	—	3,600,000	21 March 2001	1 April 2002 to 31 March 2004	0.200
	<u>15,600,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>15,600,000</u>			

(b) New Scheme

Name or category of participant	Number of share options					At 30 September 2003	Date of grant *	Exercise period	Exercise price HK\$
	At 1 April 2003	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				
Directors of the Company									
Mr. Fung Chiu Chak Victor	25,000,000	—	—	—	—	25,000,000	3 March 2003	3 March 2003 to 31 March 2006	0.150
Miss Jennifer Kwok	15,000,000	—	—	—	—	15,000,000	3 March 2003	3 March 2003 to 31 March 2006	0.150
Mr. Chiu Chin Hung	5,000,000	—	—	—	—	5,000,000	3 March 2003	3 March 2003 to 31 March 2006	0.150
Mr. Wong Kay	8,000,000	—	—	—	—	8,000,000	3 March 2003	3 March 2003 to 31 March 2006	0.150
	<u>53,000,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>53,000,000</u>			

* Each grantee is allowed to exercise up to 30% of the share options granted from the date of grant up to and including 31 March 2004. Thereafter, the percentage of the share options which may be exercised by each grantee is increased to 60% for the period from 1 April 2004 up to and including 31 March 2005, and further to 100% for the period from 1 April 2005 up to and including 31 March 2006.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from those disclosed under the heading "Directors' and Chief Executives' interests in shares" and "Share Option Scheme", 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, chief executive 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 and chief executives to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

So far as the directors were aware, as at 30 September 2003, the following persons (other than the directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in shares and underlying shares of the Company:

Name	Number of shares	Percentage of the issued share capital
Power Link Investments Limited ⁽¹⁾	171,237,000	23.40%
Eastern Glory Development Limited ⁽²⁾	171,237,000	23.40%
Goldcrest Enterprises Limited ⁽²⁾	171,237,000	23.40%
Bofield Holdings Limited ⁽²⁾	171,237,000	23.40%
Teddy Chien	41,034,399	5.61%
Enid Jean Chien	40,180,000	5.49%
Liu Chong Hing Bank Limited ⁽³⁾	40,500,000	5.53%

Notes:

1. The above interest of Power Link Investments Limited has also been disclosed as corporate interest of Mr. Francis Cheung in the section headed "Directors' and Chief Executives' interests in shares" above.
2. These parties were deemed to have interests in 171,237,000 shares by virtue of their equity interests in Power Link Investments Limited.
3. Such shares were held by Liu Chong Hing Bank Limited in the capacity as a custodian.

Save as disclosed above, no other person (other than the directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.



PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

CODE OF BEST PRACTICE

In the opinion of the Board, the Company had complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the period, except that the non-executive directors of the Company are not appointed for specific terms as they are subject to retirement by rotation at the annual general meeting in accordance with the Company's bye-laws.

REVIEW BY AUDIT COMMITTEE

The Group's Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial matters including the review of the Group's unaudited interim results for the six months ended 30 September 2003.

By Order of the Board
Francis Cheung
Chairman

Hong Kong, 9 December 2003