

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2004 截至二零零四年九月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties and investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2004.

3. TURNOVER AND SEGMENTAL INFORMATION

Business segments

For management purposes, the Group's operations are currently organised into nine operating divisions namely building construction, civil engineering, specialist works, construction materials, provision of finance, property leasing, sale of building materials and machinery, management services and investment. These divisions are the basis on which the Group reports its primary segment information.

Analyses of the Group's turnover and contribution to profit from operations by business segments are as follows:

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十六有關披露之適用規定及香港會計師公會頒佈之會計實務準則第25號「中期財務報告」之規定而編製。

2. 主要會計政策

簡明綜合財務報表乃根據歷史成本法編製，惟已就若干物業及證券投資之重估作出修訂。

所採納之會計政策乃與編製本集團截至二零零四年三月三十一日止年度之全年財務報表所採納者相符。

3. 營業額及分部資料

業務分部

就管理而言，本集團現將業務分為九個業務部門，即樓宇建築工程、土木工程、專項工程、建築材料、提供融資、物業租賃、銷售建築材料及機械、管理服務及投資。有關業務構成本集團申報其主要分部資料之基準。

按業務分部劃分之本集團營業額及經營業務所得溢利貢獻分析如下：

		Six months ended 30th September,					
		2004			2003		
		External	Inter-	Total	External	Inter-	Total
		HK\$'000	segment	HK\$'000	HK\$'000	segment	HK\$'000
		截至九月三十日止六個月					
		二零零四年			二零零三年		
		對外	分部間	合計	對外	分部間	合計
		千港元	千港元	千港元	千港元	千港元	千港元
Turnover	營業額						
Discontinuing operations:	擬終止經營業務：						
Construction and other contracting businesses:	建築及其他合約承包業務：						
Building construction	樓宇建築工程	1,248,557	-	1,248,557	1,191,411	-	1,191,411
Civil engineering	土木工程	234,406	-	234,406	195,893	-	195,893
Specialist works	專項工程	174,475	57,760	232,235	259,023	18,932	277,955
Construction materials	建築材料	183	30,374	30,557	2,985	44,620	47,605
		<u>1,657,621</u>	<u>88,134</u>	<u>1,745,755</u>	<u>1,649,312</u>	<u>63,552</u>	<u>1,712,864</u>
Continuing operations:	持續經營業務：						
Provision of finance	提供融資	21,792	449	22,241	19,905	400	20,305
Property leasing	物業租賃	21,210	8,549	29,759	25,046	8,533	33,579
Sale of building materials and machinery	銷售建築材料及機械	2,279	25	2,304	2,236	49	2,285
Management services	管理服務	1,457	-	1,457	1,650	-	1,650
Investment	投資	577	-	577	238	-	238
		<u>47,315</u>	<u>9,023</u>	<u>56,338</u>	<u>49,075</u>	<u>8,982</u>	<u>58,057</u>
Elimination	抵銷	-	(97,157)	(97,157)	-	(72,534)	(72,534)
		<u>1,704,936</u>	<u>-</u>	<u>1,704,936</u>	<u>1,698,387</u>	<u>-</u>	<u>1,698,387</u>

3. TURNOVER AND SEGMENTAL INFORMATION (continued)
Business segments (continued)

3. 營業額及分部資料 (續)
業務分部 (續)

		Six months ended 30th September,	
		2004 HK\$'000 截至九月三十日止六個月 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Contribution to profit from operations	經營業務所得溢利貢獻		
Discontinuing operations:	擬終止經營業務：		
Construction and other contracting businesses:	建築及其他合約承包業務：		
Building construction	樓宇建築工程	17,648	168
Civil engineering	土木工程	18,329	(8,537)
Specialist works	專項工程	10,840	(21,477)
Construction materials	建築材料	(7,909)	(14,184)
		38,908	(44,030)
Continuing operations:	持續經營業務：		
Provision of finance	提供融資	16,145	15,631
Property leasing	物業租賃	8,238	11,086
Sale of building materials and machinery	銷售建築材料及機械	92	60
Management services	管理服務	(150)	(365)
Investment	投資	(8,530)	23,751
		54,703	6,133
Release of negative goodwill	負商譽轉出	23,590	27,584
Unallocated corporate expenses	不可攤分之企業支出	(19,367)	(4,715)
		58,926	29,002
Profit from operations	經營業務所得溢利	58,926	29,002

Inter-segment sales are charged at prevailing market rate or, where no market price was available, at terms determined and agreed by both parties.

As disclosed in the circular dated 5th November, 2004, Paul Y. - ITC Construction Holdings Limited ("Paul Y. - ITC") has become an associate of the Group since 20th October, 2004 after the disposal of 77 million shares in Paul Y. - ITC by the Group. Accordingly, the Group has ceased to carry out the businesses of building construction, civil engineering, specialist works and construction materials (the "Construction and other Contracting Business") since 20th October, 2004 as these operations are solely carried out through Paul Y. - ITC.

分部間之銷售乃按主要市場水平收取，或倘並無可供採用之市場價格，則按雙方決定及同意之條款收取。

誠如日期為二零零四年十一月五日之通函所披露，於本集團出售 77,000,000 股保華德祥股份後，保華德祥建築集團有限公司（「保華德祥」）已由二零零四年十月二十日起成為本集團之聯營公司。因此，本集團由二零零四年十月二十日起再無經營樓宇建築工程、土木工程、專項工程及建築材料業務（「建築及其他合約承包業務」），因為此等業務目前僅透過保華德祥經營。



4. PROFIT FROM OPERATIONS

4. 經營業務所得溢利

		Six months ended 30th September,	
		2004 HK\$'000 截至九月三十日止六個月 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Profit from operations has been arrived at after charging:	經營業務所得溢利已扣除：		
Depreciation and amortisation of property, plant and equipment (Note)	物業、廠房及設備之折舊及攤銷(附註)	28,791	31,273
Loss on disposal of listed investments	出售上市投資之虧損	1,579	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,640	-
Unrealised holding loss on listed other investments	其他上市投資之未變現虧損	7,528	-
and after crediting:	並已計及：		
Gain on disposal of listed investments	出售上市投資之收益	-	23,088
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	2,805
Release of negative goodwill to income (included in other operating income)	負商譽轉出所得收入(列入其他經營收入)	23,590	27,584
Unrealised holding gain on listed other investments	其他上市投資之未變現收益	-	425
<i>Note:</i>	<i>附註：</i>		
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備之折舊及攤銷	29,590	32,229
Less: Amount capitalised in respect of contracts in progress	減：撥作在建合約工程資本之數額	(799)	(956)
		<u>28,791</u>	<u>31,273</u>

5. INVESTMENT EXPENSES – NET

5. 投資開支 – 淨額

		Six months ended 30th September,	
		2004 HK\$'000 截至九月三十日止六個月 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Gain (loss) on disposal of investment properties	出售投資物業之收益(虧損)	1,129	(526)
Impairment loss on investment securities	投資證券折損	(1,614)	(3,597)
		<u>(485)</u>	<u>(4,123)</u>

6. LOSS ON DILUTION OF INTERESTS IN SUBSIDIARIES AND ASSOCIATES

6. 攤薄附屬公司及聯營公司權益之虧損

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
Loss on dilution of interests in subsidiaries	攤薄附屬公司權益之虧損	-	(3,554)
Loss on dilution of interests in associates	攤薄聯營公司權益之虧損	(15,649)	(112)
Gain on dilution of interests in associates	攤薄聯營公司權益之收益	892	532
		<u>(14,757)</u>	<u>(3,134)</u>

7. TAXATION

7. 稅項

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
The charge comprises:	稅項支出包括：		
Hong Kong Profits Tax	香港利得稅		
Current period	本期間	21	-
Overprovision in previous periods	過往期間超額撥備	-	(11)
		<u>21</u>	<u>(11)</u>
Overseas taxation	海外稅項	1,177	3,322
Deferred taxation	遞延稅項	7,629	11,869
		<u>8,827</u>	<u>15,180</u>
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司應佔稅項	8,827	15,180
Share of taxation attributable to associates	攤佔聯營公司之稅項	40,045	41,511
		<u>48,872</u>	<u>56,691</u>

Hong Kong Profits Tax is calculated at the rate of 17.5% (1.4.2003 to 30.9.2003: 17.5%) of the estimated assessable profits derived from Hong Kong for the period.

For the period ended 30th September, 2003, no tax was payable on the profit for the period arising in Hong Kong since the assessable profit was wholly absorbed by tax losses brought forward.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Deferred taxation has been provided for on temporary differences arising during the period.

香港利得稅乃根據本期間源自香港之估計應課稅溢利按稅率17.5% (二零零三年四月一日至二零零三年九月三十日：17.5%) 計算。

就截至二零零三年九月三十日止期間而言，由於應課稅溢利均已由承前稅項虧損所抵銷，故毋須就於香港產生之期內溢利納稅。

海外稅項根據有關司法權區之現行稅率計算。

遞延稅項已就本期間內產生之臨時差異作出撥備。



8. DIVIDENDS

8. 股息

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
Interim dividend – 1 cent (2003: Nil) per share	中期股息 – 每股港幣1仙 (二零零三年：無)	<u>6,543</u>	<u>-</u>

The amount of the interim dividend declared for the six months ended 30th September, 2004, which will be payable in cash, has been calculated by reference to the 654,294,107 issued ordinary shares outstanding as at the date of this report.

截至二零零四年九月三十日止六個月宣佈之以現金支付之中期股息之數額，乃參照本報告刊發日期已發行普通股654,294,107股計算。

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

9. 每股盈利

每股基本及攤薄盈利乃按以下數據計算：

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
Profit for the period	期內溢利	<u>26,271</u>	47,641
Dividend for preference shares	優先股股息	<u>(9,245)</u>	(9,245)
Profit for the purposes of basic earnings per share	計算每股基本盈利 之溢利	<u>17,026</u>	38,396
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之效應：		
Adjustment to the share of results of subsidiaries based on dilution of their earnings per share	攤佔附屬公司業績 須按其攤薄後 每股盈利作出調整	-	(3,426)
Interest on convertible notes	可換股票據之利息	<u>7,245</u>	9,839
Unamortised deferred expenditure on issuance of convertible notes	發行可換股票據之 未攤銷遞延支出	<u>(333)</u>	(769)
Profit for the purposes of diluted earnings per share	計算每股攤薄盈利 之溢利	<u>23,938</u>	44,040
		Number of shares	Number of shares
		股份數目	股份數目
Weighted average number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利 之普通股加權 平均數	<u>654,294,107</u>	630,960,774
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之效應：		
Convertible notes	可換股票據	<u>965,000,000</u>	1,308,333,333
Weighted average number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄 盈利之普通股 加權平均數	<u>1,619,294,107</u>	1,939,294,107

10. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$6,243,000 (1.4.2003 to 30.9.2003: HK\$5,311,000) on property, plant and equipment to expand and upgrade its operating capacity. The Group also disposed of investment properties and property, plant and equipment with an aggregate carrying value of approximately HK\$60,000,000 (1.4.2003 to 30.9.2003: HK\$21,804,000) and HK\$2,373,000 (1.4.2003 to 30.9.2003: HK\$9,992,000) respectively.

11. PROJECT UNDER DEVELOPMENT

During the period, the Group purchased a 54.06% interest in a development project located in the Mainland (being the People's Republic of China and, for the purpose of this report, excluding Hong Kong and Macau) through acquisition of subsidiaries as set out in note 18.

12. INTERESTS IN ASSOCIATES**10. 投資物業及物業、廠房及設備**

於本期間內，本集團動用約6,243,000港元(二零零三年四月一日至二零零三年九月三十日：5,311,000港元)購入物業、廠房及設備，以擴大及提升其經營能力。本集團亦分別出售賬面總值約60,000,000港元(二零零三年四月一日至二零零三年九月三十日：21,804,000港元)及約2,373,000港元(二零零三年四月一日至二零零三年九月三十日：9,992,000港元)之投資物業及物業、廠房及設備。

11. 發展中項目

期內，本集團透過收購附屬公司購入位於國內(即中華人民共和國(就本報告而言不包括香港及澳門))一發展項目約54.06%權益(如附註18所載)。

12. 聯營公司權益

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Share of net assets:	攤佔淨資產：		
Listed shares in Hong Kong	香港上市股份	864,367	920,360
Listed shares in overseas	海外上市股份	539,826	552,433
Unlisted shares	非上市股份	25,627	23,828
Goodwill	商譽	234,281	245,323
Negative goodwill	負商譽	(17,369)	(17,855)
		<u>1,646,732</u>	1,724,089
Amount due from an associate	應收一間聯營公司款項	26,400	26,400
		<u>1,673,132</u>	1,750,489
Market value of listed shares:	上市股份之市值：		
In Hong Kong	香港	243,012	286,319
In overseas	海外	1,375,707	1,158,296
		<u>1,618,719</u>	1,444,615

China Strategic Holdings Limited ("China Strategic"), a company listed on The Stock Exchange of Hong Kong Limited, became a principal associate of the Group on 30th September, 2003 with its financial year ended 31st December. Downer EDI Limited ("Downer"), another principal associate of the Group is listed in Australia and New Zealand with its financial year ended 30th June. Since only published financial information of China Strategic and Downer was available and used by the Group in applying the equity method, the Group's share of net assets in China Strategic and Downer at 30th September, 2004 is calculated based on their net assets at 30th June, 2004. The Group's share of results of China Strategic for the current period and of Downer for the current and prior period is calculated based on the results of China Strategic for the six months from 1st January, 2004 to 30th June, 2004 and results of Downer for the six months from 1st January, 2004 to 30th June, 2004 and from 1st January, 2003 to 30th June, 2003 respectively.

中策集團有限公司(「中策」)乃一間於香港聯合交易所有限公司上市之公司，其於二零零三年九月三十日成為本集團之主要聯營公司，財政年度結束日期為十二月三十一日。本集團另一間主要聯營公司Downer EDI Limited(「Downer」)乃一間於澳洲及新西蘭上市之公司，其財政年度結束日期為六月三十日。由於本集團於採用權益法時僅可查閱及採用中策及Downer已刊發之財務資料，因此，本集團攤佔中策及Downer於二零零四年九月三十日之權益乃分別根據此兩間公司於二零零四年六月三十日之資產淨值計算。本集團攤佔中策於本期間之業績乃根據中策於二零零四年一月一日至二零零四年六月三十日止六個月之業績計算；本集團攤佔Downer於本期間及上一期間之業績乃分別根據Downer於二零零四年一月一日至二零零四年六月三十日止六個月以及二零零三年一月一日至二零零三年六月三十日止六個月之業績計算。



13. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$490,329,000 (31st March, 2004: HK\$503,395,000) and their aged analysis at the balance sheet date is as follows:

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Trade debtors	應收貿易賬款		
0 – 30 days	0–30日	372,790	403,517
31 – 60 days	31–60日	25,285	29,584
61 – 90 days	61–90日	3,064	2,750
Over 90 days	超過90日	89,190	67,544
		<u>490,329</u>	<u>503,395</u>

Included in debtors, deposits and prepayments at 30th September, 2004 and 31st March, 2004 is an amount of approximately HK\$123,711,000 which represents the Group's share of losses arising on certain construction contracts to be recovered from an ex-shareholder of Downer under guarantees provided by the ex-shareholder. The Group has proceeded a court action against the ex-shareholder in this respect and, having taken legal advice, believes that the suit is valid and the losses together with interest and other expenses incurred can be fully recovered from the ex-shareholder.

The Group's credit terms for contracting business are negotiated with, and entered into under normal commercial terms with its trade customers. Trade debtors arising from property leasing business are payable monthly in advance and the credit terms granted by the Group to other trade debtors normally range from 30 days to 90 days.

14. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade payables of approximately HK\$348,276,000 (31st March, 2004: HK\$354,324,000) and their aged analysis at the balance sheet date is as follows:

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Trade creditors	應付貿易賬款		
0 – 30 days	0–30日	273,709	315,826
31 – 60 days	31–60日	43,311	18,742
61 – 90 days	61–90日	8,231	1,476
Over 90 days	超過90日	23,025	18,280
		<u>348,276</u>	<u>354,324</u>

13. 應收賬款、訂金及預付款項

應收賬款、訂金及預付款項中包括約490,329,000港元(二零零四年三月三十一日: 503,395,000港元)之應收貿易賬款。應收貿易賬款於結算日之賬齡分析如下:

於二零零四年九月三十日及二零零四年三月三十一日之應收賬款、訂金及預付款項中包括一筆約123,711,000港元之款項,乃代表若干建築合約所產生之本集團應佔虧損,有關款項將根據Downer前股東提供之擔保而向該前股東全數收回。本集團已就此對該前股東採取法律行動,而聽取法律意見後相信此項訴訟為有理據,有關虧損連同所錄得之利息及其他開支將可以向該名前股東悉數收回。

本集團合約承包業務之信貸期乃與其貿易客戶按正常商業條款磋商及訂立。物業租賃業務之應收貿易賬款須按月預付,而本集團就其他應收貿易賬款授出之信貸期一般由30日至90日不等。

14. 應付賬款及應計開支

應付賬款及應計開支中包括約348,276,000港元(二零零四年三月三十一日: 354,324,000港元)之應付貿易賬款。應付貿易賬款於結算日之賬齡分析如下:

15. CONTINGENT LIABILITIES

15. 或然負債

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Outstanding performance bonds in respect of construction contracts	仍然有效之建築 合約履約擔保書	<u>431,143</u>	<u>623,257</u>

16. COMMITMENTS

16. 承擔

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Capital expenditure contracted for but not provided in the financial statements in respect of acquisition of equity investments	有關收購股權投資之 已訂約但未於 財務報表撥備 之資本支出	<u>143,071</u>	<u>450,671</u>



17. TRANSACTIONS WITH RELATED PARTIES

During the period, the Group had transactions with the following related parties, details of which are as follows:

17. 與有關連人士之交易

期內，本集團與以下有關連人士進行之交易詳情如下：

		Six months ended 30th September,	
		2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
		截至九月三十日止六個月	
Associates and jointly controlled entities:			
Purchase of concrete products	聯營公司及共同控制機構： 本集團購買混凝土		
by the Group (note a)	產品 (附註a)	36	70
Dividend income	股息收入	56,024	44,883
Rentals and related building management	本集團收取租金及相關		
fee charged by the Group (notes b & c)	物業管理費 (附註b及c)	1,581	3,068
Service fees charged by the Group (note c)	本集團收取服務費 (附註c)	449	601
Service fees charged to the Group (note c)	本集團支付服務費 (附註c)	1	-
Subcontracting fees charged to	本集團支付分承包費		
the Group (note d)	(附註d)	1,917	52,385
Construction works charged by	本集團收取建築工程		
the Group (note d)	款項 (附註d)	41,820	449
Interest income received (note e)	已收利息收入 (附註e)	11,424	10,308
Project management fee,	本集團收取項目管理費、		
consulting and handling	顧問及手續費		
fees charged by the Group (note c)	(附註c)	1,136	72
		<u>1,136</u>	<u>72</u>
Directors or companies controlled by directors:			
Interest payable on convertible notes issued	董事或董事控制		
by the Group (note f)	之公司： 本集團發行之可換股票據		
Interest paid by the Group (note f)	之應付利息 (附註f)	6,257	6,267
	本集團支付利息 (附註f)	-	1,651
		<u>-</u>	<u>1,651</u>
Related companies:			
Rentals and related building management	關連公司： 本集團收取租金及相關		
fee charged by the Group (notes b & c)	物業管理費 (附註b及c)	2,781	3,716
Interest income received (note e)	已收利息收入 (附註e)	4,796	8,448
Subcontracting fees charged	本集團收取分承包費		
by the Group (note d)	(附註d)	-	1,611
Purchase of medicine and health products	本集團購買醫藥		
by the Group (note a)	保健品 (附註a)	-	455
Service fees charged to the Group (note c)	本集團支付服務費 (附註c)	1,321	59
		<u>1,321</u>	<u>59</u>

Notes:

- (a) The transactions were carried out by reference to the prevailing market price for comparable transactions or were carried out in accordance with the negotiated parties.
- (b) Rentals were charged at the pre-agreed fixed monthly amounts.
- (c) Building management fee, service fee, project management fee, consulting and handling fees were charged at the pre-agreed rates.
- (d) Construction works and subcontracting fees were charged at market price or, where no market price was available, at terms determined and agreed by both parties.
- (e) Interest was charged at commercial rates.
- (f) Interest was charged at the best lending rate of Hong Kong Dollar quoted by The Hongkong and Shanghai Banking Corporation Limited.

The above related companies are companies in which the Group has either indirect beneficial interests or has common directors.

附註：

- (a) 該等交易乃參照同類交易當時之市價或根據磋商各方協定之價格進行。
- (b) 租金按預定之固定每月租金徵收。
- (c) 物業管理費用、服務費、項目管理費、顧問及手續費按預定費用徵收。
- (d) 建築工程及分承包費乃根據市價或(倘無市價可供參考)雙方決定及同意之條款收取。
- (e) 利息乃按商業息率收取。
- (f) 利息乃按香港上海匯豐銀行有限公司所報之港元最優惠利率收取。

以上關連公司乃本集團擁有間接實益權益或有共同董事之公司。

18. ACQUISITION OF SUBSIDIARIES

In April 2004, the Group acquired a 90.1% of the issued share capital of, and a shareholder's loan to, Global Achiever Limited for a cash consideration of approximately HK\$396,197,000. Global Achiever Limited holds indirectly a 60% interest in Jiangsu Yangtong Investment and Development Co., Ltd. which is principally engaged in a development project in the Mainland. This transaction has been accounted for using the purchase method of accounting.

The effect of the acquisition is summarised as follows:

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年 千港元	二零零三年 千港元
Net assets acquired	購入資產淨值	<u>396,197</u>	-
Satisfied by:	支付方式：		
Cash paid	已付現金	296,197	-
Balance of consideration payable to a minority shareholder	應向少數股東支付之代價餘額	<u>100,000</u>	-
		<u>396,197</u>	-
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：		
Cash paid	已付現金	296,197	-
Bank balances and cash acquired	收購之銀行結存及現金	<u>(2,413)</u>	-
		<u>293,784</u>	-

The subsidiaries acquired during the period contributed to cash outflow of approximately HK\$17,177,000 and HK\$18,850,000 in respect of investing and financing activities respectively, and did not make any significant contribution to the results of the Group.

19. DISCONTINUING OPERATIONS

On 18th August, 2004, the Company announced that the Group intended to place out sufficient shares in Paul Y. - ITC, so that on completion of the placement Paul Y. - ITC will become an associate of the Company. Subsequently, on 20th October, 2004, the Company disposed of 77 million shares in Paul Y. - ITC pursuant to the mandate approved by the ordinary shareholders of the Company on 6th October, 2004. Following the disposal on 20th October, 2004 and the receipt of scrip shares from Paul Y. - ITC on 29th October, 2004, the Group's interest was decreased from 55.06% as at 30th September, 2004 to 49.58% as at the date of this report and Paul Y. - ITC has become an associate of the Group with effect from 20th October, 2004. Accordingly, the Group has ceased to carry out the Construction and Other Contracting Business since 20th October, 2004 as these operations are solely carried out through Paul Y. - ITC.

18. 收購附屬公司

於二零零四年四月，本集團以現金代價約396,197,000港元收購Global Achiever Limited之90.1%已發行股本及股東貸款。Global Achiever Limited間接持有主要業務為在國內一項發展項目之江蘇洋通開發投資有限公司之60%權益。此項交易已經以收購會計法入賬。

是項收購之影響概述如下：

期內收購之附屬公司分別帶來投資及融資活動之現金流出約17,177,000港元及18,850,000港元，其對本集團業績並無任何重大貢獻。

19. 擬終止經營業務

於二零零四年八月十八日，本公司宣佈本集團計劃配售足夠數目之保華德祥股份以使到於配售完成後，保華德祥將成為本公司之聯營公司。於二零零四年十月二十日，本公司根據本公司普通股股東於二零零四年十月六日批准之授權出售77,000,000股保華德祥股份。緊隨於二零零四年十月二十日之出售事項以及於二零零四年十月二十九日收到保華德祥發行之代息股份後，本集團持有之保華德祥權益由二零零四年九月三十日之55.06%減至於本報告刊發日期之49.58%，而保華德祥亦由二零零四年十月二十日起成為本集團之聯營公司。因此，本集團由二零零四年十月二十日起不再經營建築及其他合約承包業務，原因為有關業務目前僅透過保華德祥經營。



20. POST BALANCE SHEET EVENTS

- (a) On 19th October, 2004, Paul Y. - ITC acquired a property development company, Yetwide Investments Limited ("Yetwide"), at a consideration of HK\$31,000,000, which was funded by internal resources of Paul Y. - ITC. Yetwide is principally engaged in a property development project in the Mainland.
- (b) On 20th October, 2004, the Company disposed of 77 million shares in Paul Y. - ITC and the Company's interest in Paul Y. - ITC decreased from 55.06% as at 30th September, 2004 to 49.33%, which was subsequently increased to 49.58% as at the date of this report upon scrip issue of Paul Y. - ITC. Paul Y. - ITC has become an associate of the Group with effect from 20th October, 2004.
- (c) On 20th October, 2004, a wholly-owned subsidiary of the Company entered into a provisional sale and purchase agreement for the acquisition of an office premises and 4 carparking spaces at Bank of America Tower at a consideration of HK\$102,018,000. The premises will be used as a downtown office for convenience and smooth operation of the Group. The acquisition is expected to be completed in late December 2004.
- (d) As mentioned in the circular of the Company dated 21st September, 2004, the Board seek approval for the conversion of the existing convertible preference shares into redeemable convertible preference shares and to vary a number of the terms of the existing convertible preference shares. Upon the approval by the shareholders on 13th October, 2004, the conversion has been effective from 3rd November, 2004.
- (e) Subsequent to the period end, the Paul Y. - ITC group has disposed of its entire shareholding in Downer:
- In November 2004, pursuant to the incentive option agreement entered into with Paul Y. - ITC in April 2003, a company controlled by certain executives of Downer has purchased from the Paul Y. - ITC group 5.5 million shares in Downer at A\$2.2 each, in aggregate amounting to approximately A\$12.1 million (approximately HK\$72.6 million); and
 - In December 2004, the Paul Y. - ITC group has disposed of the remaining approximately 56.2 million shares in Downer at a price of A\$4.55 each to independent third parties. The gross sale proceeds arising from the disposal amount to approximately A\$255.8 million (approximately HK\$1,504 million).

20. 結算日後事項

- (a) 於二零零四年十月十九日，保華德祥以31,000,000港元之代價收購益廣投資有限公司（「益廣」）。益廣為物業發展公司，主要從事一個位於國內之物業發展項目。是項收購之代價以保華德祥之內部資源撥付。
- (b) 於二零零四年十月二十日，本公司出售77,000,000股保華德祥股份。本集團持有之保華德祥權益由二零零四年九月三十日之55.06%減至49.33%，而於其後收取保華德祥發行之代息股份後則增至於本報告刊發日期之49.58%，而保華德祥亦由二零零四年十月二十日起成為本集團之聯營公司。
- (c) 於二零零四年十月二十日，本公司一間全資附屬公司訂立臨時買賣協議以收購美國銀行中心內一處辦公室物業及四個泊車位，作價102,018,000港元。有關物業將用作本集團位於市中心樞紐位置之辦事處，令本集團能更順暢地經營業務。預期是項收購將於二零零四年十二月底完成。
- (d) 誠如本公司於二零零四年九月二十一日刊發之通函所述，董事局徵求股東批准將現有可換股優先股轉換成可贖回可換股優先股以及修訂現有可換股優先股之若干條款。自股東於二零零四年十月十三日批准後，有關轉換已由二零零四年十一月三日起生效。
- (e) 於本期間之結算日之後，保華德祥集團已出售其於Downer之全部股權，詳情如下：
- 於二零零四年十一月，根據與保華德祥於二零零三年四月訂立之獎勵選擇權協議，Downer若干行政人員控制之一間公司已按每股Downer股份2.2澳元向保華德祥集團購入5,500,000股Downer股份，總作價約為12,100,000澳元（約為72,600,000港元）；及
 - 於二零零四年十二月，保華德祥集團以每股4.55澳元將其餘約56,200,000股Downer股份出售予獨立第三方。出售產生之款項約為255,800,000澳元（約為1,504,000,000港元）。