

Notes:**1. ACCOUNTING POLICIES**

These unaudited consolidated interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) No. 25, “Interim Financial Reporting”, issued by the Hong Kong Society of Accountants and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

The accounts should be read in conjunction with the 2001 annual accounts.

The accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the annual accounts for the year ended 31st March, 2001 except that the group has adopted new SSAPs which became effective for the current accounting period:

(a) SSAP No. 9: Events after the balance sheet date

In accordance with SSAP No. 9, the group no longer recognises dividends proposed or declared after the balance sheet date as a liability at the balance sheet date. This change in accounting policy has no impact on the interim accounts for the period ended 30th September, 2001.

(b) SSAP No. 30: Business combinations

Previously goodwill arising on the acquisition of subsidiaries was written off to reserves in the year of acquisition. Under SSAP No. 30, goodwill is capitalised and amortised on a straight line basis over its estimated useful life not exceeding 20 years. Any impairment of the goodwill will be recognised as an expense in the profit and loss account immediately.

The group has adopted SSAP No. 30 retroactively by transferring all the goodwill previously written off against reserves of HK\$2.5 million from other reserves to retained profit as at 1st April, 2000, as all these goodwill amounts would have been fully amortised had they been capitalised and amortised over 20 years. Accordingly, there is no impact to the group's profit and loss accounts for the period ended 30th September, 2001 and for the year ended 31st March, 2001 as a result of the adoption of this new SSAP.

2. TURNOVER

The group is principally engaged in property investment and development, investment holding and property management.

An analysis of the group's turnover and contribution to operating results by principal activity and by geographical area is as follows:

	Turnover		Operating results	
	Six Months Ended		Six Months Ended	
	30/9/2001	30/9/2000	30/9/2001	30/9/2000
	HK\$Million	HK\$Million	HK\$Million	HK\$Million
(a) By principal activity:				
Property development	169.8	113.3	(23.3)	(10.1)
Property rental	42.3	32.1	35.7	26.1
Investment and finance	0.4	0.8	(8.0)	0.2
Others	4.4	4.9	(3.6)	(0.1)
	216.9	151.1	0.8	16.1
Associated companies			43.5	33.9
			44.3	50.0
(b) By geographical area:				
Hong Kong	216.7	139.3	46.8	51.0
United States of America	0.2	11.8	(2.5)	(1.0)
	216.9	151.1	44.3	50.0

3. OPERATING PROFIT

	Six Months Ended	
	30/9/2001	30/9/2000
	HK\$Million	HK\$Million
Operating profit is stated after charging the following:		
Auditors' remuneration	0.6	0.6
Depreciation	0.1	0.1
Directors' remuneration		
– fees	0.1	0.1
– salaries, bonuses and other emoluments	1.6	1.6
– provident fund contributions	0.1	0.1
Operating lease rentals – land and buildings	2.9	2.4
Outgoings in respect of		
– investment properties	1.5	1.4
– other properties	1.7	1.7
Provident fund contributions less forfeitures	1.2	1.0
Employee costs (excluding directors' remuneration and provident fund contributions)	21.3	22.0

4. TAXATION

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profits for the period.

	Six Months Ended	
	30/9/2001 <i>HK\$Million</i>	30/9/2000 <i>HK\$Million</i>
Company and subsidiaries:		
Hong Kong profits tax	0.8	2.5
Associated companies:		
Hong Kong profits tax	6.3	5.7
	7.1	8.2

5. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$37.2 million (2000: HK\$41.8 million) and ordinary shares in issue of 617,531,425 (2000: 617,531,425).

6. DEBTORS, DEPOSITS AND PREPAYMENTS

Ageing analysis

	30/9/2001 <i>HK\$Million</i>	31/3/2001 <i>HK\$Million</i>
0-3 months	9.0	34.2
Over 3 months	–	–
	9.0	34.2
Deposits and prepayments	9.9	14.5
	18.9	48.7

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers.

7. CREDITORS, DEPOSITS AND ACCRUALS

Ageing analysis

	30/9/2001 <i>HK\$Million</i>	31/3/2001 <i>HK\$Million</i>
0-3 months	0.3	0.9
Over 3 months	1.2	1.7
	1.5	2.6
Deposits and accruals	69.6	73.5
	71.1	76.1

8. RETAINED PROFIT

	<i>HK\$Million</i>
At 1st April, 2000 as previously reported	2,991.4
Effect of the adoption of SSAP 30 (<i>note 1(b)</i>)	(2.5)
At 1st April, 2000 as restated	2,988.9
Loss for the year	(85.4)
Interim dividend paid	(12.4)
At 31st March, 2001	2,891.1
Company and subsidiaries	3,191.9
Associated companies	(300.8)
At 31st March, 2001	2,891.1
At 1st April, 2001 as previously reported	2,893.6
Effect of the adoption of SSAP 30 (<i>note 1(b)</i>)	(2.5)
At 1st April, 2001 as restated	2,891.1
Profit for the period	37.2
Proposed dividend	(12.4)
At 30th September, 2001	2,915.9
Company and subsidiaries	3,223.1
Associated companies	(307.2)
At 30th September, 2001	2,915.9

9. LONG TERM LIABILITIES

	30/9/2001 <i>HK\$Million</i>	<i>31/3/2001</i> <i>HK\$Million</i>
Secured bank loans		
– wholly repayable within five years	70.0	–
<i>Less: Amounts repayable within one year included under current liabilities</i>	<i>(4.0)</i>	<i>–</i>
	66.0	–

The maturity of the group's long term liabilities is as follows:

	30/9/2001 <i>HK\$Million</i>	<i>31/3/2001</i> <i>HK\$Million</i>
Secured bank loans		
Within one year	4.0	–
In the second year	4.0	–
In the third to fifth year	62.0	–
	70.0	–

10. PLEDGE OF ASSETS

Certain properties of the group with a carrying value of HK\$882.0 million (31st March, 2001: HK\$1,188.0 million) have been pledged to banks as security for facilities granted to the extent of HK\$277.0 million (31st March, 2001: HK\$519.9 million) against which HK\$199.0 million (31st March, 2001: HK\$405.9 million) has been utilised at the balance sheet date.

11. COMMITMENTS

	30/9/2001 <i>HK\$Million</i>	<i>31/3/2001</i> <i>HK\$Million</i>
Capital commitment in respect of investment securities	125.7	109.0

12. CONTINGENT LIABILITIES

	30/9/2001 <i>HK\$Million</i>	<i>31/3/2001</i> <i>HK\$Million</i>
Guarantees for credit facilities on behalf of associated companies	159.4	260.0