



WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)

INTERIM REPORT

2002

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CORPORATE INFORMATION

BOARD OF DIRECTORS

The Board of Directors as now constituted is listed below:

- * Mr. Karl C. Kwok (Chairman)
- * Mr. Lester Kwok, J.P. (Deputy Chairman)
 - Dr. Bill Kwok
- * Mr. Mark Kwok
- * Dr. Kwok Man Cho
 - Dr. Philip Kwok, J.P.
- * Miss Adriana Chan
 - Miss Maria Tam Wai Chu, GBS, J.P. (Independent non-executive director)
 - Sir Oswald Victor Cheung, SC, CBE, LLD, D. Soc. Sc., J.P. (Independent non-executive director)
 - Mr. David W. Gairns, CA, FHKSA, J.P. (Independent non-executive director, resigned on 31st August, 2002)
 - Mr. Ignatius Wan Chiu Wong, LL.B. (Independent non-executive director)
 - Mr. Iain Bruce, CA, FHKSA (Independent non-executive director, appointed on 1st September, 2002)

* Members of the Executive Committee, Mr. Karl C. Kwok is the Chairman of the Executive Committee

AUDIT COMMITTEE

Mr. David W. Gairns (Chairman, resigned on 31st August, 2002)
Mr. Iain Bruce (Chairman, appointed on 1st September, 2002)
Miss Maria Tam Wai Chu
Sir Oswald Victor Cheung
Dr. Philip Kwok

AUDITORS

KPMG
Certified Public Accountants

SECRETARY

Mr. Sin Kar Tim
7th Floor, Wing On Centre,
211 Des Voeux Road Central,
Hong Kong.

REGISTERED OFFICE

Cedar House,
41 Cedar Avenue,
Hamilton HM12,
Bermuda.

PRINCIPAL OFFICE

7th Floor, Wing On Centre,
211 Des Voeux Road Central,
Hong Kong.

SHARE REGISTRARS

Progressive Registration Limited
5th Floor, Wing On Centre,
111 Connaught Road Central,
Hong Kong.

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre,
14 Bermudiana Road,
Hamilton, Bermuda.

CHAIRMAN'S STATEMENT

INTERIM RESULTS AND DIVIDEND

For the half year ended 30th June, 2002, despite the decline in the Group's overall turnover by 7.2% to HK\$872.8 million (2001: HK\$940.5 million), the Group was able to record a profit attributable to shareholders of HK\$162 million, a substantial improvement of about 320.8% when compared to the HK\$38.5 million reported for the same period last year. Earnings per share increased to 54.9 HK cents per share from the 13 HK cents per share achieved for the same period in the preceding year. These much better results were due mainly to the gain on the disposal of certain investment properties in Australia, the share of the profit on the disposal of properties in the United States by an associate, the favourable change in unrealized exchange difference on the Group's exposure to the Australian and New Zealand currencies, an overall gain on investment in securities, and a significant reduction in loss of the Group's department stores business.

In view of the satisfactory results achieved, the directors have decided to pay an interim dividend of 17 HK cents (2001: 4 HK cents) per share, absorbing a total amount of HK\$50,205,000 (2001: HK\$11,813,000). The interim dividend will be paid on 28th October, 2002 to shareholders whose names appear on the Register of Members of the Company on 21st October, 2002. The Register of Members will be closed from 15th October, 2002 to 21st October, 2002 both dates inclusive, during which period no share transfers will be accepted.

To qualify for the interim dividend, transfers to be dealt with must be lodged at the Company's Share Registrars, Progressive Registration Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong before 4:00 p.m. on 11th October, 2002.

LIQUIDITY AND FINANCIAL RESOURCES

Overall financial position

The shareholders' equity as at 30th June, 2002 was HK\$4.4 billion, a decrease of 1.8% compared with that at 31st December, 2001. With cash and marketable securities at 30th June, 2002 of about HK\$820.8 million as well as available banking facilities, the Group has sufficient liquidity to meet its current commitments and working capital requirements.

Borrowings and charge on group assets

At 30th June, 2002, the Group's total borrowings amounted to HK\$836.4 million, a decrease of about HK\$90.0 million as compared to that at 31st December, 2001. The proportion of borrowings repayable after two years but within five years to the total borrowings at 30th June, 2002 was 86.9%. In view of this maturity profile of the borrowings, the repayment pressure is low. Certain assets comprising principally property interests at book value of HK\$3.1 billion have been pledged to banks as collateral security for banking facilities to the extent of HK\$1.0 billion.

Gearing ratio

The gearing ratio, which is computed from the total borrowings of the Group divided by shareholders' funds of the Group as at 30th June, 2002 was 19.1% as compared with 20.7% at 31st December, 2001.

CHAIRMAN'S STATEMENT

(Continued)

LIQUIDITY AND FINANCIAL RESOURCES (Continued)

Funding and treasury policies

The Group adopts a prudent funding and treasury policy. To minimise exposure on foreign exchange fluctuations, the Group's borrowings are primarily denominated in Australian, New Zealand and United States currencies to directly tie in with the Group's businesses in the relevant countries. Hence, the foreign exchange exposure is limited to the net investments in these countries of approximately HK\$1.1 billion at 30th June, 2002 (at 31st December, 2001: HK\$1.0 billion).

The Group's borrowings are on a floating rate basis. For overseas borrowings, when appropriate and at times of interest rate uncertainty or volatility, hedging instruments including swaps and forwards are used to assist in the Group's management of interest rate exposure. The Group's cash and bank balances are mainly denominated in Hong Kong, United States, Australian and New Zealand currencies. The use of financial instruments for hedging the Group's interest rate and foreign exchange exposure is closely monitored.

Capital commitments and contingent liabilities

At 30th June, 2002, the total amount of the Group's capital expenditure commitments and contingent liabilities was insignificant.

HALF YEAR BUSINESS REVIEW

Department store operations

During the first six months of 2002, the Hong Kong economy continued to be adversely affected by deflation, high unemployment and weak consumer spending. Our turnover decreased by 6.9% to HK\$728.8 million (2001: HK\$782.8 million) due mainly to the closure of two unprofitable branch stores at Mei Foo and Tsimshatsui East during the first half of 2001 and the closure of our unprofitable Tianjin branch store, our remaining department store in the PRC, in May this year. However, on existing store basis, the turnover actually grew by around 5.6%. This moderate growth was due mainly to our more proactive and aggressive promotional and sales campaigns. Overall, the operating loss in this sector of business was reduced by 58.1% to HK\$27.6 million (2001: HK\$65.8 million). The closure of unprofitable branches, tight cost control, the extra efforts by our retail staff in improving sale and the merchandising mix and in streamlining our retail operations all helped to curtail the loss. Our retail management team will now concentrate their efforts in turning the department store business around in Hong Kong.

Property investments

The downward spiral in local office rents during the first half of 2002 continued to put pressure on our office property leasing activities. Our rental income from commercial property investments in Hong Kong decreased by about 16% when compared to the same period last year. However, the Group still managed to maintain an overall occupancy rate of over 90% during the period under review. The Group had during the reporting period disposed of some of its commercial property holdings in Melbourne, Australia (the particulars of which had been fully described in the Discloseable Transaction circular to shareholders dated 26th March, 2002) and realized a pre-tax profit of around HK\$47.7 million translated at an average exchange rate for the reporting period. The remaining commercial property investments in Melbourne continued to perform well and will continue to contribute to the rental income of the Group.

CHAIRMAN'S STATEMENT

(Continued)

HALF YEAR BUSINESS REVIEW (Continued)

Automobile dealership business

The Group's investment in the automobile dealership business conducted by an associate in the United States remained strong and contributed to the Group's profit during the first half of this year despite the apparent slow down of her domestic economy. The Group also shared a pre-tax profit on the disposal of certain properties by this associate of about HK\$39.2 million.

Others

In the first half of this year, the Group recorded an unrealized exchange gain of HK\$17.5 million as compared to an unrealized loss of HK\$10.6 million for the same period last year. This was due mainly to the Group's exposure to the Australian and New Zealand currencies as the exchange rates for these two currencies had moved up by 9.7% and 16.8% respectively since 31st December, 2001. The Group also wrote back an impairment loss on non-trading securities of HK\$12.4 million and recorded a realized net gain on non-trading securities of HK\$20.1 million in the first half of this year, while there was only a write back of impairment loss on non-trading securities of HK\$2.3 million in the same period last year.

Staff

As at 30th June, 2002, the Group had a total staff of 1,094 (at 30th June, 2001: 1,683). The decrease in the number of staff employed is due to cessation of department store operation in Tianjin. The Group's remuneration policies, bonus schemes, Mandatory Provident Fund schemes, etc., have not changed materially from the information disclosed in the 2001 annual report.

OUTLOOK FOR THE REMAINDER OF 2002

We expect our local retail business and rental income will continue to be affected by the prevailing high unemployment rate and weak office leasing demand. The possibility of a war in the Middle East will cast further uncertainties to the already troubled world financial markets and for our economic recovery. The contribution from our investment properties in Australia should continue to perform well while the contribution from our automobile dealership associate in the United States may come under pressure due to the prolonged economic slowdown in the United States. Presently, we do not anticipate further disposals of the Group's investment properties during the remainder of the year and hence the profits recorded in the first half year from these sources may not be repeated in the second half. We envisage that the business environment in Hong Kong, especially for our operations, will remain difficult. With a healthy balance sheet and adequate cash resources, the Group will look for good investments when opportunities arise and when the investment climate becomes more settled. In the meantime, the Group will continue with its efforts to improve its overall performance.

By Order of the Board
Lester Kwok
Deputy Chairman

Hong Kong, 12th September, 2002.

AUDITORS' INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF WING ON COMPANY INTERNATIONAL LIMITED

INTRODUCTION

We have been instructed by the Company to review the interim financial report set out on pages 6 to 26.

DIRECTORS' RESPONSIBILITIES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th June, 2002.

KPMG
Certified Public Accountants

Hong Kong, 12th September, 2002.

CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June, 2002 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30th June,					
		2002			2001		
	Note	Continuing operations \$'000	Discontinuing operation \$'000 (note 6)	Total \$'000	Continuing operations \$'000	Discontinuing operation \$'000	Total \$'000
Turnover	2	852,998	19,850	872,848	900,338	40,185	940,523
Other revenue	3	10,432	817	11,249	15,770	569	16,339
Other net gain/(loss)	3	52,712	273	52,985	(10,386)	(4)	(10,390)
Cost of department store sales		(501,821)	(14,950)	(516,771)	(525,039)	(29,386)	(554,425)
Cost of property leasing activities		(32,620)	–	(32,620)	(34,373)	–	(34,373)
Impairment loss on fixed assets		–	–	–	(5,800)	(11,897)	(17,697)
Other operating expenses		(223,868)	(10,769)	(234,637)	(261,150)	(22,029)	(283,179)
Profit/(loss) from operations		157,833	(4,779)	153,054	79,360	(22,562)	56,798
Finance cost	4(a)	(27,263)	–	(27,263)	(34,022)	(3)	(34,025)
Gain on disposal of investment properties	2	47,723	–	47,723	–	–	–
	2	178,293	(4,779)	173,514	45,338	(22,565)	22,773
Share of profits less losses of associates	2	94,092	–	94,092	50,048	–	50,048
Profit/(loss) from ordinary activities before taxation	4(b)	272,385	(4,779)	267,606	95,386	(22,565)	72,821
Taxation	5	(105,215)	–	(105,215)	(35,001)	–	(35,001)
Profit/(loss) from ordinary activities after taxation		<u>167,170</u>	<u>(4,779)</u>	162,391	<u>60,385</u>	<u>(22,565)</u>	37,820
Minority interests				(356)			673
Profit attributable to shareholders				<u>162,035</u>			<u>38,493</u>
Dividends attributable to the interim period:							
Interim dividend declared after the interim period end	7(a)			50,205			11,813
Basic earnings per share	8			<u>54.9 cents</u>			<u>13.0 cents</u>

The notes on pages 11 to 26 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2002 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30th June,	
	Note	2002	2001
		\$'000	\$'000
			restated
At 1st January – opening total equity			
– as previously reported		4,471,565	4,471,961
Changes in accounting policies with respect to			
– goodwill arising on acquisition	15	–	49,834
– dividends	15	–	26,579
		4,471,565	4,548,374
Adjustment on the opening balance of retained profits			
– provision for restoration costs on premises leased from third parties	15	–	(3,059)
– as restated		4,471,565	4,545,315
Deficit on revaluation of investment properties (Deficit)/surplus on revaluation of non-trading securities	15	(184,175)	–
Share of increase in capital reserves of associates	15	(27,600)	9,917
Exchange differences arising on consolidation	15	1,444	2,394
		81,846	(74,812)
Net losses not recognised in the income statement		(128,485)	(62,501)
Net profit for the period		162,035	38,493
Dividends approved in respect of previous year	7(b)	(35,439)	(26,579)
Revaluation (surplus)/deficit transferred to the income statement on disposal of investment properties	15	(25,161)	3,119
Exchange loss transferred to the income statement on disposal of investment properties	15	11,751	–
Revaluation surplus transferred to the income statement on disposal of investment properties of an associate	15	(46,292)	–
		(59,702)	3,119
Revaluation surplus transferred to the income statement on disposal of non-trading securities	15	(20,192)	–
At 30th June – closing total equity		4,389,782	4,497,847

The notes on pages 11 to 26 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

At 30th June, 2002 – unaudited
(Expressed in Hong Kong dollars)

		At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Non-current assets			
Fixed assets			
– Investment properties		3,424,974	3,815,654
– Other property, plant and equipment		665,580	694,682
	9	4,090,554	4,510,336
Goodwill		1,790	1,932
Interest in associates	10	479,431	485,858
Non-trading securities	11	84,649	132,531
		4,656,424	5,130,657
Current assets			
Trading securities	11	73,359	116,298
Inventories		67,943	76,533
Debtors, deposits and prepayments	12	82,115	80,328
Amounts due from fellow subsidiaries		1,628	1,686
Cash and cash equivalents	13	747,459	367,225
		972,504	642,070
Current liabilities			
Creditors and accrued charges	14	272,234	264,449
Bank loans and overdrafts		69,413	72,431
Taxation		11,567	4,985
Amounts due to fellow subsidiaries		7,617	8,507
		360,831	350,372
Net current assets		611,673	291,698
Total assets less current liabilities		5,268,097	5,422,355

The notes on pages 11 to 26 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

(Continued)
At 30th June, 2002 – unaudited
(Expressed in Hong Kong dollars)

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
	Note	
Non-current liabilities		
Interest-bearing bank loans	766,979	853,942
Deferred taxation	95,075	80,945
	<u>862,054</u>	<u>934,887</u>
	4,406,043	4,487,468
Minority interests	<u>16,261</u>	<u>15,903</u>
Net assets	<u>4,389,782</u>	<u>4,471,565</u>
Capital and reserves		
Share capital	29,533	29,533
Reserves	15 <u>4,360,249</u>	<u>4,442,032</u>
	<u>4,389,782</u>	<u>4,471,565</u>

The notes on pages 11 to 26 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June, 2002 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30th June,	
	2002	2001
	\$'000	\$'000 restated
Net cash from/(used in) operating activities	188,850	(6,108)
Net cash from investing activities	397,677	42,114
Net cash used in financing activities	<u>(233,850)</u>	<u>(92,481)</u>
Net increase/(decrease) in cash and cash equivalents	352,677	(56,475)
Cash and cash equivalents at 1st January	343,540	312,300
Effect of foreign exchange rates	<u>23,579</u>	<u>(5,530)</u>
Cash and cash equivalents at 30th June	<u><u>719,796</u></u>	<u><u>250,295</u></u>
	At	At
	30th June,	30th June,
	2002	2001
	\$'000	\$'000

Analysis of the balances of cash and cash equivalents

Cash at bank and in hand	60,753	60,535
Bank deposits	<u>686,706</u>	<u>212,664</u>
	747,459	273,199
Bank deposit pledged	<u>(27,663)</u>	<u>(22,904)</u>
	<u><u>719,796</u></u>	<u><u>250,295</u></u>

Included in the above amounts are the following net cash flows related to discontinuing operation for the period ended 30th June, 2002.

	Six months ended 30th June,	
	2002	2001
	\$'000	\$'000
Net cash used in operating activities	(18,746)	(9,188)
Net cash from investing activities	12	32
Net cash used in financing activities	<u>–</u>	<u>(3)</u>
	<u><u>(18,734)</u></u>	<u><u>(9,159)</u></u>

The notes on pages 11 to 26 form part of this interim financial report.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1. Significant accounting policies

(a) Basis of preparation

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Society of Accountants (“HKSA”). KPMG’s independent review report to the board of directors is included in page 5. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The interim financial report has been prepared in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) (“the Listing Rules”), including compliance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the HKSA.

The financial information relating to the financial year ended 31st December, 2001 included in the interim financial report does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31st December, 2001 on which the auditors have expressed an unqualified opinion on those financial statements in their report dated 11th April, 2002, are available from the Stock Exchange’s website.

The same accounting policies adopted in the 2001 annual financial statements have been applied to the interim financial report except for the adoption of the following SSAPs which are effective for accounting periods commencing on or after 1st January, 2002:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 25 (revised)	:	Interim financial reporting
SSAP 33	:	Discontinuing operations
SSAP 34	:	Employee benefits

The adoption of the above SSAPs has no material effect on the prior year financial statements except as disclosed under notes 1(b) and 1(c) below.

The notes on the interim financial report include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2001 annual financial statements.

(b) Discontinuing operations

A discontinuing operation is a clearly distinguishable component of the Group’s business that is disposed of or abandoned pursuant to a single plan, and which represents a separate major line of business or geographical area of operation.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

1. Significant accounting policies (Continued)

(b) Discontinuing operations (Continued)

In January 2002, the Group had entered into an agreement with the landlord to cease Tianjin's department store operation. The cessation of Tianjin's operation falls within the definition of discontinuing operation (note 6). The consolidated income statement has been segregated into continuing operations and discontinuing operation in compliance with SSAP 33.

(c) Cash flow statements

In prior years, for the purpose of the consolidated cash flow statement, cash flows of foreign subsidiaries were translated at the rates of exchange ruling at the balance sheet date. Cash and cash equivalents included bank overdrafts and advances from banks repayable within three months from the date of advance. With effect from 1st January, 2002, in order to comply with SSAP 15 (revised) "Cash flow statements" issued by the HKSA, cash flows of foreign subsidiaries are translated at the rates of exchange ruling at the dates of cash flows, cash and cash equivalents no longer include advances from banks other than overdrafts which are repayable on demand and which form an integral part of the Group's cash management and the format of cash flow statement has been reclassified into operating, investing and financing activities. Comparative figures for the consolidated cash flow statement have been adjusted accordingly.

2. Turnover and segmental information

The principal activities of the Group for the period are operation of department stores and property investment.

Group turnover for the period comprises the invoiced value of goods sold to customers less returns and income from property investment.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

2. Turnover and segmental information (Continued)

Business segments

The Group comprises the following main business segments:

Department stores: The operating of department stores to offer a wide range of consumer products.

Property investment: The leasing of office premises to generate rental income and to gain from the appreciation in the properties' values in the long term.

	Department stores		Property investment		Inter-segment elimination		Unallocated		Total	
	Six months ended 30th June,		Six months ended 30th June,		Six months ended 30th June,		Six months ended 30th June,		Six months ended 30th June,	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(note (a))		(note (b))							
Revenue from external customers	728,798	782,847	144,050	157,676	-	-	-	-	872,848	940,523
Inter-segment revenue	-	1	33,663	35,895	(33,663)	(35,896)	-	-	-	-
Other revenue from external customers	-	-	-	-	-	-	1,383	6,950	1,383	6,950
Total	<u>728,798</u>	<u>782,848</u>	<u>177,713</u>	<u>193,571</u>	<u>(33,663)</u>	<u>(35,896)</u>	<u>1,383</u>	<u>6,950</u>	<u>874,231</u>	<u>947,473</u>
(Loss)/profit from operations	(27,591)	(65,801)	126,601	133,059	-	-	-	-	99,010	67,258
Gain on disposal of investment properties (note (c))	-	-	47,723	-	-	-	-	-	47,723	-
Segment result	(27,591)	(65,801)	174,324	133,059	-	-	-	-	146,733	67,258
Finance cost	-	-	-	-	-	-	(27,263)	(34,025)	(27,263)	(34,025)
Interest income	-	-	-	-	-	-	7,639	6,129	7,639	6,129
Unallocated operating income net of expenses	-	-	-	-	-	-	46,405	(16,589)	46,405	(16,589)
	<u>(27,591)</u>	<u>(65,801)</u>	<u>174,324</u>	<u>133,059</u>	<u>-</u>	<u>-</u>	<u>26,781</u>	<u>(44,485)</u>	<u>173,514</u>	<u>22,773</u>
Share of profits less losses of associates (note (d))									94,092	50,048
Profit from ordinary activities before taxation									267,606	72,821
Taxation									(105,215)	(35,001)
Profit from ordinary activities after taxation									162,391	37,820
Minority interests									(356)	673
Profit attributable to shareholders									<u>162,035</u>	<u>38,493</u>

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

2. Turnover and segmental information (Continued)

Business segments (Continued)

	Department stores		Property investment		Inter-segment elimination		Unallocated		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	30th June,		30th June,		30th June,		30th June,		30th June,	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciation and amortisation for the period	(16,151)	(20,830)	(14,048)	(14,925)	-	-	(268)	(272)	(30,467)	(36,027)
Impairment loss for the period	-	(11,897)	-	(5,800)	-	-	-	-	-	(17,697)
	<u>-</u>	<u>(11,897)</u>	<u>-</u>	<u>(5,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,697)</u>

Notes:

- (a) Operating loss incurred by department stores includes impairment loss amounted to \$Nil (2001: \$11,897,000) in respect of the fixed assets of the department store operation in Tianjin.
- (b) Operating profit contributed by property investment includes:
- (i) net rental income receivable of \$32,885,000 (2001: \$35,126,000) from the department store operation; and
 - (ii) impairment loss amounted to \$Nil (2001: \$5,800,000) in respect of land use rights in the People's Republic of China.
- (c) Gain on disposal of investment properties amounted to \$47,723,000 (2001: \$Nil) represents the disposal of investment properties in Australia. The amount includes a surplus of \$28,551,000 (note 15) transferred from investment property revaluation reserve previously recognised. Details of the transaction have been disclosed in the circular to shareholders dated 26th March, 2002 in accordance with the Listing Rules.
- (d) Share of profits less losses of associates includes a profit of \$39,190,000 contributed by an associate in respect of the disposal of investment properties (note 10(b)).

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

2. Turnover and segmental information (Continued)

Geographical segments

The Group's business is managed on a worldwide basis, but participates in four principal economic environments. Hong Kong is a major market for the Group's businesses. Australia and United States are the major markets for property investment. In the People's Republic of China, the business includes property investment and department stores.

In presenting information on the basis of geographical segments, segments revenue is based on the geographical location of customers.

	Hong Kong		Australia		United States		The People's Republic of China		Others		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	30th June,		30th June,		30th June,		30th June,		30th June,		30th June,	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	<u>776,986</u>	<u>820,400</u>	<u>62,740</u>	<u>65,942</u>	<u>12,003</u>	<u>12,824</u>	<u>19,850</u>	<u>40,185</u>	<u>1,269</u>	<u>1,172</u>	<u>872,848</u>	<u>940,523</u>
Profit/(loss) from operations	37,279	29,688	61,058	60,003	4,453	5,151	(4,870)	(28,486)	1,090	902	99,010	67,258
Gain on disposal of investment properties	-	-	47,723	-	-	-	-	-	-	-	47,723	-
Segment result	<u>37,279</u>	<u>29,688</u>	<u>108,781</u>	<u>60,003</u>	<u>4,453</u>	<u>5,151</u>	<u>(4,870)</u>	<u>(28,486)</u>	<u>1,090</u>	<u>902</u>	146,733	67,258
Finance cost											(27,263)	(34,025)
Interest income											7,639	6,129
Unallocated operating income net of expenses											<u>46,405</u>	<u>(16,589)</u>
											173,514	22,773
Share of profits less losses of associates											<u>94,092</u>	<u>50,048</u>
Profit from ordinary activities before taxation											267,606	72,821
Taxation											<u>(105,215)</u>	<u>(35,001)</u>
Profit from ordinary activities after taxation											162,391	37,820
Minority interests											<u>(356)</u>	<u>673</u>
Profit attributable to shareholders											<u>162,035</u>	<u>38,493</u>

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

3. Income

	Six months ended 30th June,	
	2002	2001
	\$'000	\$'000
Other revenue		
Dividend and interest income from securities	2,226	3,260
Hotel revenue	–	4,888
Other interest income	7,639	6,129
Others	1,384	2,062
	<u>11,249</u>	<u>16,339</u>
Other net gain/(loss)		
Net gain on disposal of fixed assets	298	465
Net exchange gain/(loss)	17,457	(10,630)
Net realised (loss)/gain on trading securities	(135)	1,735
Net unrealised gain/(loss) on trading securities	2,844	(4,284)
Net realised gain on non-trading securities (note)	20,135	–
Write-back of impairment loss on non-trading securities	12,386	2,324
	<u>52,985</u>	<u>(10,390)</u>

Note: Net realised gain on disposal of non-trading securities includes a surplus of \$20,040,000 (2001: \$Nil) (note 15) transferred from investment revaluation reserve previously recognised.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

4. Profit from ordinary activities before taxation

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

	Six months ended 30th June,	
	2002	2001
	\$'000	\$'000
(a) Finance cost:		
Interest on bank advances and other borrowings repayable within five years	27,263	34,025
(b) Other items:		
Cost of inventories sold	516,771	554,425
Staff costs	88,743	105,156
Operating lease charges		
– rentals on land and buildings	58,767	54,811
– contingent rent	410	719
Depreciation and amortisation on fixed assets	30,467	36,027
Amortisation of goodwill	143	143
Recognition of negative goodwill	(176)	(176)
Impairment loss on fixed assets	–	17,697
Rentals receivable from investment properties net of direct outgoings of \$30,820,000 (2001: \$32,504,000)	(112,640)	(124,647)

5. Taxation

	Six months ended 30th June,	
	2002	2001
	\$'000	\$'000
Provision for Hong Kong Profits Tax for the period	9,249	8,015
Overseas taxation	2,078	2,630
Deferred taxation	38,928	3,692
Share of associates' taxation	50,255	14,337
	54,960	20,664
	105,215	35,001

The provision for Hong Kong Profits Tax is calculated at 16% (2001: 16%) of the estimated assessable profits for the period. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

6. Discontinuing operation

In January 2002, the Group had entered into an agreement with the landlord to cease the department store operation in Tianjin. The results of the Tianjin department store operation had been included in the department store segment and the PRC geographical segment. Adjustments had been made in 2001 to reduce the value of assets to their recoverable amounts and to provide for other expected liabilities and expenses to be incurred by the subsidiaries in connection with the cessation of business. The operation ceased on 1st May, 2002. The assets have been realised in an orderly manner to pay off liabilities. A provision of \$350,000 in respect of certain legal claims was made in the consolidated income statement for the period ended 30th June, 2002.

The net liabilities of the discontinuing operation as at 30th June, 2002 were as follows:

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Non-current assets	1,233	1,248
Current assets	6,215	13,301
Current liabilities	(17,747)	(35,262)
Non-current liabilities	—	—
	<hr/>	<hr/>
Net liabilities	<u>(10,299)</u>	<u>(20,713)</u>

7. Dividends

(a) Dividends attributable to the interim period:

	Six months ended 30th June, 2002 \$'000	2001 \$'000
Interim dividend declared after the interim period end of 17 cents (2001: 4 cents) per share	<u>50,205</u>	<u>11,813</u>

The interim dividend declared after the interim period end has not been recognised as a liability at the interim period end date.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

7. Dividends (Continued)

- (b) Dividends attributable to the previous financial year, proposed, approved and paid during the interim period/year:

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Final dividends in respect of the previous financial year proposed, approved and paid during the interim period/year, of 12 cents (2001: 9 cents) per share	<u>35,439</u>	<u>26,579</u>

8. Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders for the period of \$162,035,000 (2001: \$38,493,000) divided by 295,326,000 shares (2001: 295,326,000 shares) in issue during the period.

There were no outstanding potential ordinary shares throughout the periods presented.

9. Fixed assets

Investment properties were revalued at 30th June, 2002 by the directors using relevant market indices to update the professional valuations that were carried out at 31st December, 2001. Revaluation deficits of \$184,175,000 have been transferred to the investment property revaluation reserve (note 15).

Certain investment properties located in Australia were disposed of in March and April 2002 and gave rise to a profit before tax of \$47,723,000. Banks loans totalling \$165.9 million secured by mortgages on those properties were repaid upon their disposal.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Within one year	187,506	223,304
After 1 year but within 5 years	417,557	502,141
After 5 years	<u>8,760</u>	<u>27,624</u>
	<u>613,823</u>	<u>753,069</u>

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

10. Interest in associates

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Unlisted shares		
Share of net assets other than goodwill	436,980	440,381
Share of unamortised goodwill	44,618	46,776
Negative goodwill on acquisition	(3,340)	(3,514)
Amounts due from associates less provision	1,173	2,215
	<u>479,431</u>	<u>485,858</u>

- (a) Additional information in respect of the Group's material associate, WL Investments Limited, extracted from its unaudited financial statements, is given as follows:

	Six months ended 30th June, 2002 \$'000	2001 \$'000
Operating results		
Turnover	4,658,634	4,520,093
Profit before taxation	200,221	109,008
Profit after taxation	83,285	65,042
	<u>39,145</u>	<u>30,570</u>

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Non-current assets	1,127,026	1,113,497
Current assets*	1,363,512	1,325,044
Total assets	<u>2,490,538</u>	<u>2,438,541</u>
Current liabilities	735,974	898,300
Non-current liabilities	729,748	503,620
Total liabilities	<u>1,465,722</u>	<u>1,401,920</u>
Net assets	<u>1,024,816</u>	<u>1,036,621</u>
Group's share of net assets attributable to the material associate	<u>481,663</u>	<u>487,212</u>

* Current assets comprise mainly inventories of motor vehicles.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

10. Interest in associates (Continued)

(a) (Continued)

At the balance sheet date, the Group has an equity interest of 50% in WL Investments Limited (“WL”) Group. Due to the existence of a phantom stock plan for the benefit of the WL Group’s key employees, the Group’s effective share of the results and net assets of the WL Group is 47%.

(b) WL disposed of certain investment properties in the United States of America for a cash consideration of US\$51.5 million, resulting in a profit before taxation of US\$10.7 million. The transaction contributed a profit before tax of \$39,190,000 to the Group in the interim period. The amount includes a surplus of \$45,820,000 (note 15) transferred from investment property revaluation reserve previously recognised.

11. Securities

	At 30th June, 2002 \$’000	At 31st December, 2001 \$’000
Non-trading securities		
Equity securities		
Listed outside Hong Kong, at market value	26,680	14,294
Unlisted	57,969	118,237
	<u>84,649</u>	<u>132,531</u>
Trading securities		
Debt securities		
Listed outside Hong Kong, at market value	8,451	55,029
Equity securities		
Listed		
– in Hong Kong, at market value	43,982	42,362
– outside Hong Kong, at market value	20,926	18,907
	<u>64,908</u>	<u>61,269</u>
	<u>73,359</u>	<u>116,298</u>

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

12. Debtors, deposits and prepayments

Included in debtors, deposits and prepayments are trade and other debtors (net of provisions for doubtful debts) with the following ageing analysis:

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Current	19,884	20,722
1 to 3 months overdue	2,965	1,526
More than 3 months overdue	815	1,253
	<hr/>	<hr/>
Total trade and other debtors (note (a))	23,664	23,501
Deposits and prepayments (note (b))	58,451	56,827
	<hr/>	<hr/>
	82,115	80,328
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) Debts are normally due within 30 days from the date of billing.
- (b) All deposits and prepayments, apart from certain rental deposits of \$26,426,000 (2001: \$26,490,000), are expected to be recovered within one year.

13. Cash and cash equivalents

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Deposits with banks	686,706	302,506
Cash at bank and in hand	60,753	64,719
	<hr/>	<hr/>
	747,459	367,225
	<hr/> <hr/>	<hr/> <hr/>

At 30th June, 2002, a fixed deposit of \$27,663,000 (2001: \$23,685,000) was pledged to a bank for banking facilities granted to a subsidiary.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

14. Creditors and accrued charges

Included in creditors and accrued charges are trade and other creditors with the following ageing analysis:

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Amounts not yet due	153,663	177,907
On demand or overdue for less than 1 month	69,180	15,438
1 to 3 months overdue	2,048	1,548
3 to 12 months overdue	9,009	9,247
	<hr/>	<hr/>
Total trade and other creditors	233,900	204,140
Accrued charges	38,334	60,309
	<hr/>	<hr/>
	<u>272,234</u>	<u>264,449</u>

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

15. Reserves

	Investment property revaluation reserve \$'000	Land and building revaluation reserve \$'000	Investment revaluation reserve \$'000	Exchange reserve \$'000	Other capital reserves \$'000	Contributed surplus \$'000	Retained profits \$'000	Total \$'000
At 1st January, 2002	1,366,017	204,249	93,880	(236,737)	294,937	754,347	1,965,339	4,442,032
Dividends approved in respect of previous year (note 7(b))	-	-	-	-	-	-	(35,439)	(35,439)
Revaluation surplus transferred to the income statement on disposal of investment properties (note 2(c))	(28,551)	-	-	3,390	-	-	-	(25,161)
Exchange loss transferred to the income statement on disposal of investment properties	-	-	-	11,751	-	-	-	11,751
Revaluation surplus transferred to the income statement on disposal of investment properties of an associate (note 10(b))	(45,820)	-	-	(472)	-	-	-	(46,292)
Deficit on revaluation of investment properties (note 9)	(184,175)	-	-	-	-	-	-	(184,175)
Revaluation surplus transferred to the income statement on disposal of non-trading securities (note 3)	-	-	(20,040)	(152)	-	-	-	(20,192)
Deficit on revaluation of non-trading securities	-	-	(27,600)	-	-	-	-	(27,600)
Share of increase in capital reserves of associates	-	-	-	-	1,444	-	-	1,444
Exchange differences arising on consolidation	-	-	-	81,846	-	-	-	81,846
Profit for the period	-	-	-	-	-	-	162,035	162,035
At 30th June, 2002	<u>1,107,471</u>	<u>204,249</u>	<u>46,240</u>	<u>(140,374)</u>	<u>296,381</u>	<u>754,347</u>	<u>2,091,935</u>	<u>4,360,249</u>

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

15. Reserves (Continued)

	Investment property revaluation reserve \$'000	Land and building revaluation reserve \$'000	Investment revaluation reserve \$'000	Exchange reserve \$'000	Other capital reserves \$'000	Contributed surplus \$'000	Retained profits \$'000	Total \$'000
At 1st January, 2001								
– as previously reported	1,441,511	204,249	82,773	(167,679)	41,931	754,347	2,085,296	4,442,428
– changes in accounting policies with respect to:								
– goodwill arising on acquisition	–	–	–	(210)	246,987	–	(196,943)	49,834
– dividends	–	–	–	–	–	–	26,579	26,579
	1,441,511	204,249	82,773	(167,889)	288,918	754,347	1,914,932	4,518,841
Adjustment on the opening balance of retained profits								
– provision for restoration costs on premises leased from third parties	–	–	–	–	–	–	(3,059)	(3,059)
– as restated	1,441,511	204,249	82,773	(167,889)	288,918	754,347	1,911,873	4,515,782
Dividends approved in respect of previous year (note 7(b))	–	–	–	–	–	–	(26,579)	(26,579)
Revaluation deficit transferred to the income statement on disposal of investment property	3,119	–	–	(405)	–	–	–	2,714
Deficit on revaluation after minority interests	(42,124)	–	–	–	–	–	–	(42,124)
Share of revaluation deficit of associates	(5,418)	–	–	–	–	–	–	(5,418)
Deferred tax	(31,071)	–	–	–	–	–	–	(31,071)
Surplus on revaluation of non-trading securities	–	–	11,107	–	–	–	–	11,107
Share of increase in capital reserves of associates	–	–	–	–	6,019	–	–	6,019
Exchange differences arising on consolidation	–	–	–	(68,443)	–	–	–	(68,443)
Profit for the year	–	–	–	–	–	–	91,858	91,858
Dividends declared and paid in respect of the current year	–	–	–	–	–	–	(11,813)	(11,813)
At 31st December, 2001	<u>1,366,017</u>	<u>204,249</u>	<u>93,880</u>	<u>(236,737)</u>	<u>294,937</u>	<u>754,347</u>	<u>1,965,339</u>	<u>4,442,032</u>

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)
(Expressed in Hong Kong dollars)

16. Capital commitments

Group capital commitments at 30th June, 2002, not provided for in the interim financial report were as follows:

	At 30th June, 2002 \$'000	At 31st December, 2001 \$'000
Authorised and contracted for	<u>1,248</u>	<u>357</u>

17. Contingent liabilities

The Company has undertaken to guarantee certain loans and other facilities granted to certain subsidiaries to the extent of \$815,062,000 (at 31st December, 2001: \$933,563,000) of which \$805,865,000 (at 31st December, 2001: \$898,744,000) were utilised at 30th June, 2002.

18. Material related party transactions

Material related party transactions are as follows:

- (a) A fellow subsidiary rents retail premises to a subsidiary. Rental and management fees payable to this fellow subsidiary amounted to \$7,190,000 (2001: \$7,190,000) during the period. The amounts due to the fellow subsidiary at 30th June, 2002 amounted to \$5,913,000 (at 31st December, 2001: \$6,953,000).
- (b) A subsidiary rents office premises to a fellow subsidiary. Rental and management fees receivable from this fellow subsidiary amounted to \$1,289,000 (2001: \$1,175,000) during the period. The amounts due to the fellow subsidiary at 30th June, 2002 amounted to \$260,000 (at 31st December, 2001: \$182,000).
- (c) The Company reimbursed a fellow subsidiary for the sharing of office space and facilities. Reimbursement payable to this fellow subsidiary amounted to \$72,000 (2001: \$72,000) during the period. The amount had been fully settled by the period end.
- (d) A fellow subsidiary, engaging in securities practice, deals in securities for certain subsidiaries of the Group. Commission of \$17,000 (2001: \$46,000) was payable to the fellow subsidiary during the period. The amounts due from the fellow subsidiary at 30th June, 2002 amounted to \$80,000 (at 31st December, 2001: \$56,000).

19. Comparative figures

The presentation of items in the financial statements has been changed due to the discontinuance of the department store operation in the PRC by the Group during the period as described in note 6. As a result, the consolidated income statement for the current and previous period were segregated into continuing operations and discontinuing operation.

20. Approval of interim financial report

The interim financial report was approved by the Board on 12th September, 2002.

SUPPLEMENTARY INFORMATION

CODE OF BEST PRACTICE

None of the directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited except that independent non-executive directors are not appointed for a specific term as they are subject to rotation at Annual General Meetings in accordance with Bye-Law 99.

DIRECTORS' INTERESTS IN SHARES

As at 30th June, 2002, the interests of the directors in the equity of the Company or its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) which have been notified to the Company were as follows:

(a) The Company

	Number of ordinary shares				Total
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
Karl C. Kwok	320,710	90,000	–	–	410,710
Lester Kwok	489,140	50,000	–	–	539,140
Bill Kwok	798,388	335,000	255,000 (Note 1)	–	1,388,388
Mark Kwok	397,000	40,000	10,000 (Note 2)	–	447,000
Kwok Man Cho	425,400	116,500	–	–	541,900
Philip Kwok	150,000	–	–	–	150,000
Adriana Chan	101,000	–	–	–	101,000

Notes:

- Dr. Bill Kwok is entitled to control not less than one-third of the voting power at general meetings of a company which beneficially owns 255,000 ordinary shares in the Company.
- Mr. Mark Kwok is entitled to control not less than one-third of the voting power at general meetings of a company which beneficially owns 10,000 ordinary shares in the Company.

(b) Kee Wai Investment Company, Limited

	Number of ordinary shares				Total
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
Karl C. Kwok	11,250	–	–	–	11,250
Lester Kwok	11,250	–	–	–	11,250
Bill Kwok	11,250	–	–	–	11,250
Mark Kwok	11,250	–	–	–	11,250

Note: The above directors together control approximately 78.95% of the voting rights in Kee Wai Investment Company, Limited.

SUPPLEMENTARY INFORMATION

(Continued)

DIRECTORS' INTERESTS IN SHARES (Continued)

(c) Wing On Corporate Management (BVI) Limited

	Number of ordinary shares				Total
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
Kwok Man Cho	124,177	–	–	–	124,177
Philip Kwok	50,000	–	–	–	50,000

(d) The Wing On Fire & Marine Insurance Company Limited

	Number of ordinary shares				Total
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
Karl C. Kwok	324	–	–	–	324
Lester Kwok	216	–	–	–	216
Bill Kwok	216	–	–	–	216
Mark Kwok	216	–	–	–	216
Kwok Man Cho	432	–	–	–	432
Philip Kwok	324	–	–	–	324

In addition to the above, certain directors hold shares in subsidiaries on trust and as nominee for their intermediary holding companies.

Save as disclosed herein, none of the directors of the Company has any interest in the equity of the Company or any associated corporation (as defined above) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to section 28 of the SDI Ordinance (including interests which any such person is deemed or taken to have under section 31 or Part 1 of the Schedule to the SDI Ordinance) or which are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SUPPLEMENTARY INFORMATION

(Continued)

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2002, according to the information available to the Company, the following shareholders of the Company were interested in 10% or more of the nominal value of the issued share capital of the Company:

Name	Number of ordinary shares held	Shareholding percentage
(i) Wing On International Holdings Limited	180,545,138	61.13
(ii) Wing On Corporate Management (BVI) Limited	180,545,138	61.13
(iii) Kee Wai Investment Company, Limited	180,545,138	61.13

Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of all of the above-stated shareholdings to the extent that the shareholdings stated against party (i) above are entirely duplicated or included in the relevant shareholdings stated against party (ii) above, with the same duplication of the shareholdings in respect of (ii) in (iii). All of the above named parties are deemed to be interested in the relevant shareholdings under the SDI Ordinance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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