



FORTUNA  廣益  
國際集團有限公司  
INTERNATIONAL HOLDINGS LIMITED

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## **DIRECTORS AND CORPORATE INFORMATION**

### **Executive Directors**

Kwee, Cahyadi Kumala (*Chairman*)  
Chan, Chuen Wing (*Vice Chairman and Managing Director*)  
Liaw, Chung Shiung  
Guan, Xian Liang  
Dequina, Karen  
Amantoy, Jose B. (Resigned on 24 May 2002)

### **Non Executive Directors**

Chuan Kow Chian (Appointed on 24 May 2002)  
Chiu, Chi Keung, Parker  
Pikanto, Hanyman (Resigned on 24 May 2002)

### **Company Secretary**

Hui, Wai Man, Shirley

### **Principal Bankers**

HSBC  
Bank of China (Hong Kong) Ltd  
DBS Kwong On Bank Limited

### **Public Relations Consultant**

Strategic Financial Relations Limited  
Unit A, 29/F  
Admiralty Centre 1  
18 Harcourt Road, Hong Kong

### **Auditors**

Ernst & Young

### **Registered Office**

Cedar House  
41 Cedar Avenue  
Hamilton HM12  
Bermuda

### **Principal Office in Hong Kong**

Unit 808, 8th Floor  
Guardforce Centre  
3 Hok Yuen Street East  
Hung Hom  
Kowloon, Hong Kong

### **Registrars**

Butterfield Corporate Services Limited  
Rosebank Centre  
Bermudiana Road  
Pembroke, Bermuda

### **Registrars in Hong Kong**

Secretaries Limited  
5th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

The Board of Directors of Fortuna International Holdings Limited (the "Company") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2002.

These consolidated results have not been audited, but have been reviewed by the audit committee.

## CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		<b>Six months ended 30 June</b>	
		<b>2002</b>	<b>2001</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER	3		
Continuing Operations		79,641	70,827
Discontinued Operations		–	45,249
		<hr/>	<hr/>
		79,641	116,076
Cost of sales		(49,784)	(74,635)
		<hr/>	<hr/>
Gross profit		29,857	41,441
Other revenue	3	166	1,274
Selling and distribution expenses		(5,261)	(7,833)
Administrative expenses		(12,967)	(20,157)
Other operating expenses		(853)	(761)
Gain on disposal of property, plant and equipment		–	6,309
		<hr/>	<hr/>
PROFIT FROM OPERATING ACTIVITIES	4		
Continuing Operations		10,942	10,011
Discontinued Operations		–	10,262
		<hr/>	<hr/>
		10,942	20,273
Finance costs		(5,305)	(8,364)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION		5,637	11,909
Taxation	5	(3,670)	(3,323)
		<hr/>	<hr/>
PROFIT BEFORE MINORITY INTERESTS		1,967	8,586
Minority interests		(4,817)	(4,375)
		<hr/>	<hr/>
NET (LOSS)/PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>(2,850)</u>	<u>4,211</u>
(LOSS)/EARNINGS PER SHARE	6		
– Basic		<u>(0.071) cents</u>	<u>0.11 cents</u>
– Diluted		<u>N/A</u>	<u>N/A</u>

**CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED GAINS  
AND LOSSES**

	<b>Six months ended 30 June</b>	
	<b>2002</b>	<b>2001</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Exchange differences on translation of the financial statements of overseas subsidiaries	–	(4,299)
Net (loss)/profit from ordinary activities attributable to shareholders	<u>(2,850)</u>	<u>4,211</u>
Total recognised losses	<u><u>(2,850)</u></u>	<u><u>(88)</u></u>

## CONDENSED CONSOLIDATED BALANCE SHEET

		<b>30 June 2002 (Unaudited)</b>	<b>31 December 2001 (Audited)</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		163,051	166,638
Intangible assets		15,835	16,524
Interest in associates		1,582	1,582
Long term receivables		10,931	21,431
Long term investment		1,340	1,814
Deposit for investment		8,510	6,675
		201,249	214,664
<b>CURRENT ASSETS</b>			
Inventories		205,600	222,927
Trade receivables	7	15,381	15,251
Current portion of long term receivables		22,500	17,000
Prepayments, deposits and other receivables		33,570	32,688
Cash and bank balances		15,300	16,523
		292,351	304,389
<b>CURRENT LIABILITIES</b>			
Trade payables	8	12,572	19,184
Accrued liabilities and other payables		18,120	25,889
Tax payable		1,428	2,269
Interest-bearing bank and other borrowings – due within one year	9	159,520	168,397
Current portion of finance lease payables		205	296
		191,845	216,035
<b>NET CURRENT ASSETS</b>		100,506	88,354
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		301,755	303,018
<b>NON-CURRENT LIABILITIES</b>			
Finance lease payables		–	53
		301,755	302,965
<b>MINORITY INTERESTS</b>		104,936	103,296
		196,819	199,669

**CONDENSED CONSOLIDATED BALANCE SHEET (Continued)**

		<b>30 June 2002 (Unaudited)</b>	<b>31 December 2001 (Audited)</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
CAPITAL AND RESERVES			
Share capital	10	39,934	39,934
Reserves	11	156,885	159,735
		<hr/>	<hr/>
		196,819	199,669
		<hr/> <hr/>	<hr/> <hr/>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Six months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2002</b>	<b>2001</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	21,847	(16,410)
Net cash outflow from returns on investments and servicing of finance	(5,305)	(15,139)
Overseas tax paid	(4,511)	(5,712)
Net cash (outflow)/inflow from investing activities	(4,232)	47,424
NET CASH INFLOW BEFORE FINANCING ACTIVITIES	7,799	10,163
Net cash outflow from financing activities	(8,740)	(45,059)
DECREASE IN CASH AND CASH EQUIVALENTS	(941)	(34,896)
Cash and cash equivalents at beginning of period	6,656	6,700
Effect of foreign exchange rate changes, net	–	385
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,715	(27,811)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	15,300	12,464
Bank overdrafts	(6,849)	(34,285)
Trust receipt loans	(2,736)	(5,990)
	5,715	(27,811)



## **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Statements 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 governing the listing of securities on The Stock Exchange of Hong Kong Limited (the "Listing Rule"). The accounting policies and basis of preparation used in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2001.

The Group has also adopted new SSAP effective for accounting periods commencing on or after 1 January 2002. The adoption of these new SSAP had no material effect on the Group's results.

The comparative figures of 30 June 2001 have been reclassified to reflect the treatment of the operating results of the Group's ostrich products segment to "discontinued operations". As fully disclosed in the annual financial statements for the year ended 31 December 2001, the Group's ostrich product operations were discontinued since the granting of a court order in January 2002 for the liquidation of the South African subsidiaries.

### **2. SEGMENT INFORMATION**

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provided. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other segments. Summary details of the business segments are as follows:

- (a) the wine products segment engages in the manufacture, sale and distribution of wines; and
- (b) the ostrich products segment engages in the ostrich farming and the processing and distribution of ostrich leather and meat.

In determining the Group's geographical segments, revenues and the results are attributed to the segments based on the location of the customers.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices,

**(a) Business segments**

The following tables present turnover and results for the Group's business segments.

	Continuing wine products		Discontinued ostrich products		Consolidated	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
<b>Business segments</b>						
Segment revenue:						
Turnover	79,641	70,827	-	45,249	79,641	116,076
Segment results	17,391	17,353	-	10,262	17,391	27,615
Unallocated income					37	298
Unallocated expenses					(6,486)	(7,640)
Profit from operating activities					10,942	20,273
Finance costs					(5,305)	(8,364)
Profit before taxation					5,637	11,909
Taxation					(3,670)	(3,323)
Profit before minority interests					1,967	8,586
Minority interests					(4,817)	(4,375)
Net (loss)/profit from ordinary activities attributable to shareholders					(2,850)	4,211

**(b) Geographical segments**

The following tables present turnover and results for the Group's geographical segments.

	Hong Kong	Elsewhere in the PRC	Asia	North America	Europe	South Africa	Consolidated
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	
<b>Six months ended 30 June 2002</b>							
Continuing operations							
Segment revenue:							
Turnover	2,137	75,508	1,996	-	-	-	79,641
Segment results	(750)	18,021	120	-	-	-	17,391
<b>Six months ended 30 June 2001</b>							
Continuing operations							
Segment revenue:							
Turnover	2,541	67,357	929	-	-	-	70,827
Segment results	(49)	17,347	55	-	-	-	17,353
Discontinued operations							
Segment revenue:							
Turnover	1,409	1,014	3,664	16,627	10,833	11,702	45,249
Segment results	(4)	(1,360)	420	1,966	775	8,465	10,262

### 3. TURNOVER AND REVENUE

Turnover represents the aggregate of the invoiced value of goods sold, net of discounts and returns. An analysis of the Group's turnover and revenue is as follows:

	<b>Six months ended 30 June</b>	
	<b>2002</b>	<b>2001</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover:		
Sales of wines – Continuing operations	79,641	70,827
Sales of ostrich leather and meat – Discontinued operations	–	45,249
	<u>79,641</u>	<u>116,076</u>
Other revenue:		
Interest income	–	136
Management fee income	–	274
Rental income from leasing of properties, plant and equipment	30	186
Others	136	678
	<u>166</u>	<u>1,274</u>
Total revenue	<u><u>79,807</u></u>	<u><u>117,350</u></u>

### 4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities was determined after charging:

	<b>Six months ended 30 June</b>	
	<b>2002</b>	<b>2001</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditors' remuneration	–	180
Amortization of intangible assets	688	670
Depreciation	5,983	7,039
Staff costs:		
Wages and salaries	7,398	10,744
Retirement scheme contribution	61	50
	<u>7,459</u>	<u>10,794</u>

## 5. TAXATION

No Hong Kong profits tax has been provided as the Company, its subsidiaries and its associates either had no assessable profits arising in Hong Kong or have available tax losses brought forward from prior years to offset assessable profits arising in Hong Kong for the period (2001: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	<b>Six months ended 30 June</b>	
	<b>2002</b>	<b>2001</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Provision for the period:		
Company and subsidiaries		
Hong Kong	–	–
Elsewhere	3,670	3,323
	<u>3,670</u>	<u>3,323</u>
Share of tax attributable to associates	–	–
	<u>3,670</u>	<u>3,323</u>
Taxation charge for the period	<u><u>3,670</u></u>	<u><u>3,323</u></u>

## 6. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share are based on:

	<b>Six months ended 30 June</b>	
	<b>2002</b>	<b>2001</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<u>(Loss)/Earnings:</u>		
Net (loss)/profit from ordinary activities attributable to shareholders, used in the basic and diluted (loss)/earnings per share calculations	<u>HK\$(2,850,000)</u>	<u>HK\$4,211,000</u>
<u>Shares:</u>		
Weighted average number of ordinary shares in issue during the period used in basic earnings per share calculation	3,993,409,113	3,993,409,113
Weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all share options outstanding during the period	N/A	N/A
Weighted average number of ordinary shares used in diluted earnings per share calculation	<u>3,993,409,113</u>	<u>3,993,409,113</u>

*Note:* Diluted earnings per share for the current period has not been shown as there has been no unexercised options during the period.

## 7. TRADE RECEIVABLES

Trading terms with customers are largely on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Senior management regularly reviews overdue balances. The analysis below ages trade receivables, net of provisions, based on the invoice date, which is when the goods are delivered and services are rendered.

	<b>30 June 2002 (Unaudited)</b> <i>HK\$'000</i>	<b>31 December 2001 (Audited)</b> <i>HK\$'000</i>
Current to 3 months	12,426	11,687
3 to 6 months	2,551	2,983
Over 6 months	404	581
	<u>15,381</u>	<u>15,251</u>

## 8. TRADE PAYABLES

The analysis below ages trade payables based on the date of the goods purchased and services rendered.

	<b>30 June 2002 (Unaudited)</b> <i>HK\$'000</i>	<b>31 December 2001 (Audited)</b> <i>HK\$'000</i>
Current to 3 months	8,192	17,191
3 to 6 months	2,837	132
Over 6 months	1,543	1,861
	<u>12,572</u>	<u>19,184</u>

## 9. INTEREST-BEARING BANK AND OTHER BORROWINGS

	<b>30 June 2002 (Unaudited) HK\$'000</b>	<b>31 December 2001 (Audited) HK\$'000</b>
Bank overdrafts	6,849	5,463
Bank loans	149,935	158,530
Trust receipt loans	2,736	4,404
	<u>159,520</u>	<u>168,397</u>
Interest-bearing bank and other loans are repayable as follows:		
Within one year or on demand	159,520	168,397
Portion classified as current liabilities	<u>(159,520)</u>	<u>(168,397)</u>
Long-term portion	<u>–</u>	<u>–</u>

Certain of the Group's bank loans and overdrafts are secured by:

- (i) certain of the Group's properties, plant and equipment; and
- (ii) a guarantee granted by a minority shareholder of a subsidiary.

## 10. SHARE CAPITAL

	<b>30 June 2002 (Unaudited) HK\$'000</b>	<b>31 December 2001 (Audited) HK\$'000</b>
Authorized:		
25,000,000,000 (2001: 25,000,000,000) ordinary shares of HK\$0.01 each	<u>250,000</u>	<u>250,000</u>
50 (2001: 50) convertible preference shares of HK\$1,000,000 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
3,993,409,113 (2001: 3,993,409,113) ordinary shares of HK\$0.01 each	<u>39,934</u>	<u>39,934</u>

## 11. MOVEMENTS IN MAJOR RESERVES

Movements in major reserves of the Group during the period are as follows:

	<b>Six months ended 30 June</b>	
	<b>2002</b>	<b>2001</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<u>Translation reserve</u>		
Released upon disposal of the substantial assets of a subsidiary	–	594
Exchange difference arising on translation of overseas subsidiaries and associates	–	(4,299)
	<hr/>	<hr/>
Net (decrease)	–	(3,705)
	<hr/> <hr/>	<hr/> <hr/>
<u>PRC statutory reserves</u>		
Appropriations to reserve funds by PRC subsidiaries	1,259	1,444
	<hr/>	<hr/>
Net increase	1,259	1,444
	<hr/> <hr/>	<hr/> <hr/>
<u>Goodwill/capital reserve</u>		
Released upon disposal of substantial business of a subsidiary	–	1,609
	<hr/>	<hr/>
Net increase	–	1,609
	<hr/> <hr/>	<hr/> <hr/>
<u>Accumulated losses</u>		
Appropriations to reserve funds by PRC subsidiaries	(1,259)	(1,444)
Net loss/(profit) for the period	(2,850)	4,211
	<hr/>	<hr/>
Net (increase)/decrease in accumulated losses	(4,109)	2,767
	<hr/> <hr/>	<hr/> <hr/>

## 12. CONTINGENT LIABILITIES

The guarantee on banking facilities utilized by subsidiaries amounted to HK\$9,585,000 (2001: HK\$9,867,000).

## 13. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Board of Directors approved these condensed interim financial statements on 24 September 2002.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

For the six months ended 30 June 2002, the Group recorded a turnover of HK\$79.6 million (2001: HK\$116 million) with a net loss attributable to shareholders of HK\$2.85 million (2001: a profit of HK\$4.2 million). The decrease in the aggregate turnover was mainly due to the ceasing of the ostrich business in January 2002. Nevertheless, profit from continuing operations increased by 9.3% to approximately HK\$10.94 million from HK\$10.01 million while gross profit margin increased to 37.4% compared to 35.7% in the same period last year.

The operating results of the Group for the first six months of 2002 is reflective not only of the continued economic slowdown but also of the absence of new business segments to replace the discontinued ostrich business. In the face of the uncertain economic climate, the Group has decided to focus its resources in the steady and profitable wine business. Nevertheless, the Group remained vigilant of trends and opportunities within the realm of its resources and capabilities.

During the last six months, the thrust to penetrate deeply into the PRC market has paid off satisfactorily for the Group's wine business. Total sales rose to HK\$79.6 million from HK\$70.8 million for the same period last year. For the rest of the year, an even more vigorous promotional campaign will be carried out to gain wider acceptance of the Group's wine products in the high potential markets such as Beijing, Suzhou, Tianjin, Wuhan, Dalian and Qingdao. On the other hand, wine export sales to Japan remained strong. The coming peak season in the second half of the year is expected to bring in increased revenues from both the PRC and the export markets.

### **Prospects**

The Group believes that its wine business still has a great deal of potential. With the introduction of new product varieties in the next six months, the increased efforts to penetrate more key cities in the PRC and the plan to enter the Taiwanese market, the prospect of improved turnover and contribution seem achievable. The Group also remains positive that its association with Suntory, the largest wine distributor in Japan, will enable the Group's wine products to maintain its market stronghold.

The Group also believes that the positive prospects of the wine business and the continued rationalization of costs and capital expenditures will enable the Group at least maintain stability in revenues and earnings.

### **Financial Information**

As a result of more stringent control measures, the Group's financial position and liquidity continued to improve. As at 30 June 2002, the gearing ratio of the Group reduced from 0.85 to 0.81 while the current ratio improved from 1.4 times to 1.5 times. Net assets decreased slightly by HK\$2.85 million (due to the net loss for the period).



## Interest Rate and Currency Exposure

The Group has no significant exposure to risks of foreign currency and interest rate.

## Use of Capital and funding

The Group has adequate capital resources for funding its on going operations and planned expansion.

## Changes in Group Composition

There is no acquisition and disposal of subsidiary during the six months ended 30 June 2002.

## EMPLOYEE

As at 30 June 2002, the Group employed a work force of 587 employees, 575 of whom were in China and 12 were in Hong Kong. During the first six months of the year, the employee cost (excluding directors' emoluments), amounted to approximately HK\$7.4 million. Employee remuneration is in accordance with individual's responsibility and performance. Other than the share option scheme, other fringe benefits, such as medical, MPF and subsidy are offered to most employees.

## DIRECTORS' INTEREST IN SHARES

At 30 June 2002, the interests of the directors in the listed securities of the Company as recorded in the register required to be kept pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

	Number of ordinary shares held		
	Personal interest	Corporate interest	Total
Kwee, Cahyadi Kumala	52,500,000	727,410,624 (Note)	779,910,624
Chan, Chuen Wing	52,500,000	–	52,500,000
Guan, Xian Liang	32,500,000	–	32,500,000
Dequina, Karen	5,000,000	–	5,000,000

Note: These shares were held by Prestbury Incorporated Ltd., which is beneficially owned by Mr. Kwee, Cahyadi Kumala.

As at the balance sheet date, the beneficial interests of the directors in the share capital of the associated corporation (within the meaning of the SDI Ordinance) of the Company, which had been notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 28 or Section 31 of the SDI Ordinance, or were required to be entered in the register maintained pursuant to Section 29 of the SDI Ordinance, were that Mr. Chan Chuen Wing held 70,968 shares in Perfect Period Limited, a subsidiary of the Company.

Save as disclosed above, none of the directors of the Company or their associates had any interest in the securities of the Company or any of its associated corporations which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 28 of the SDI Ordinance (including interests which they are deemed or taken to have under Section 31 and Part I of the Schedule to that Ordinance) or which are required, pursuant to Section 29 of the Ordinance, to be entered in the register referred to therein.

### **DIRECTORS' RIGHT TO ACQUIRE SHARES**

The Company has a share option scheme (the "Scheme") under which the directors may grant options to employees, including directors, of the Group to subscribe up to 10% of the nominal amount of the issued share capital of the Company. The Scheme became effective on 16 September 1992 for a period of 10 years and has not yet been renewed since it expired this year. No option was granted to the directors under this Scheme during the period and outstanding as at date of this report.

Save as disclosed above, at no time during the year was the Company, or any of its subsidiaries a party to any arrangement to enable the directors and chief executives of the Company, their respective spouse, or children under 18 years of age, to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **DIVIDEND**

The directors do not recommend the payment of interim dividend in respect of the period.

### **SUBSTANTIAL SHAREHOLDERS**

As at 30 June 2002, the following interests of 10% or more in the share capital of the Company were recorded in the register kept by the Company under Section 16(1) of the SDI Ordinance:

<b>Name</b>	<b>Number of ordinary shares held</b>
Prestbury Incorporated Ltd. <i>(Note)</i>	727,410,624
Pan Asia Sat Media Ltd.	665,568,000

*Note:* The ultimate beneficial owner of Prestbury Incorporated Ltd. is Mr. Kwee, Cahyadi Kumala. Total number of shares held by Mr. Kwee, Cahyadi Kumala is 779,910,624, after adding those shares held under this name.

Save as disclosed above, the directors were not aware of any person who was, directly or indirectly, interested in 10% or more of the issued share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

## **PURCHASES, SALES AND REDEMPTIONS OF LISTED SECURITIES**

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

## **CODE OF BEST PRACTICE AND CORPORATE GOVERNANCE**

In the opinion of the directors, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited throughout the period, except that the independent non-executive directors were not appointed for specific terms.

## **AUDIT COMMITTEE**

The members of the Audit Committee comprise two independent non-executive directors of the Company which was established for review and supervision of the Group's financial reporting process and internal controls. The Audit Committee has reviewed the unaudited condensed consolidated interim accounts for the six months ended 30 June, 2002 of the Group with the management.

## **PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE EXCHANGE**

A detailed interim report of the company containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange's in due course.

ON BEHALF OF THE BOARD

**Chan Chuen Wing**  
*Managing Director*

Hong Kong 24 September 2002