
BOARD OF DIRECTORS

Executive directors:

Cheong Pin Chuan, Patrick
Cheong Kim Pong
Cheong Pin Seng
Cheong Sim Eng

Independent non-executive directors:

Kan Fook Yee
Lai Hing Chiu, Dominic

Non-executive director:

Lim Ghee

RESULTS

The Board of Directors of Winfoong International Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2002 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2002

		Six months ended	
		30 June	
	Notes	2002	2001
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
TURNOVER	2	26,398	43,571
Cost of sales		(9,498)	(28,591)
Gross profit		16,900	14,980
Other revenue		257	223
Operating and administrative expenses		(19,162)	(19,191)
LOSS FROM OPERATING ACTIVITIES	3	(2,005)	(3,988)
Finance costs	4	(8,658)	(16,393)
Share of profit/(loss) of an associate		(1,912)	270
LOSS BEFORE TAX		(12,575)	(20,111)
Tax charge	5	(117)	(260)
LOSS BEFORE MINORITY INTERESTS		(12,692)	(20,371)
Minority interests		8	136
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS		(12,684)	(20,235)
BASIC LOSS PER SHARE	6	(1.27 cents)	(2.96 cents)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 June 2002*

	<i>Note</i>	Six months ended	
		30 June	
		2002	2001
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>
Total shareholders' equity at 1 January		<u>1,228,365</u>	<u>1,477,850</u>
Exchange difference on translation of financial statements of foreign entities	16	26,016	683
Share of movements in reserves of an associate	16	<u>(7,635)</u>	<u>(30,509)</u>
Net gains/(losses) not recognised in the profit and loss account		18,381	(29,826)
Net loss for the period attributable to shareholders		(12,684)	(20,235)
Issue of shares, including share premium		156,772	–
Share issue expenses		<u>(4,164)</u>	<u>–</u>
Total shareholders' equity at 30 June		<u><u>1,386,670</u></u>	<u><u>1,427,789</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET*30 June 2002*

	<i>Notes</i>	30 June 2002 <i>(Unaudited)</i> <i>HK\$'000</i>	31 December 2001 <i>(Audited)</i> <i>HK\$'000</i>
NON-CURRENT ASSETS			
Fixed assets	8	1,336,609	1,095,519
Properties held for future development		80,000	80,000
Interest in an associate		447,136	431,620
Other long term assets	9	6,745	5,979
Pledged bank balances and time deposits		5,554	5,193
		<u>1,876,044</u>	<u>1,618,311</u>
CURRENT ASSETS			
Properties held for sale	10	100,568	106,079
Inventories		229	232
Trade and other receivables	11	22,643	23,435
Other current assets	12	1,256	1,304
Cash and cash equivalents		2,795	1,980
		<u>127,491</u>	<u>133,030</u>
CURRENT LIABILITIES			
Trade and other payables	13	26,365	25,700
Tax payable		14,572	14,572
Interest-bearing bank loans	14	52,157	11,640
		<u>93,094</u>	<u>51,912</u>
NET CURRENT ASSETS		<u>34,397</u>	<u>81,118</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,910,441	1,699,429
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	14	521,675	468,878
Minority interests		2,096	2,186
		<u>1,386,670</u>	<u>1,228,365</u>
CAPITAL AND RESERVES			
Issued capital	15	74,742	34,221
Reserves	16	1,311,928	1,194,144
		<u>1,386,670</u>	<u>1,228,365</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 June 2002*

	Six months ended	
	30 June	
	2002	2001
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(4,933)	5,208
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	<u>(73,916)</u>	<u>(4,450)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING ACTIVITIES	(78,849)	758
NET CASH INFLOW FROM FINANCING ACTIVITIES	<u>79,922</u>	<u>10,448</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,073	11,206
Cash and cash equivalents at beginning of period	1,980	(9,536)
Effect of foreign exchange rate changes, net	<u>(258)</u>	<u>1,012</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>2,795</u></u>	<u><u>2,682</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,475	1,264
Time deposits	<u>1,320</u>	<u>1,418</u>
	<u><u>2,795</u></u>	<u><u>2,682</u></u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2002

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have not been audited by the Company's auditors but have been reviewed by the Company's audit committee.

The unaudited condensed consolidated interim financial statements of the Group have been 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.

The accounting policies and the basis of preparation used in the preparation of these interim financial statements are the same as those used in the annual audited financial statements for the year ended 31 December 2001 except that:

- (i) land and buildings and investment properties have not been revalued at the balance sheet date; and
- (ii) the following new/revised SSAPs have been adopted for the first time in the preparation of the current period's condensed consolidated financial statements:

SSAP 1 (Revised)	:	"Presentation of Financial Statements"
SSAP 11 (Revised)	:	"Foreign Currency Translation"
SSAP 15 (Revised)	:	"Cash Flow Statements"
SSAP 34	:	"Employee Benefits"

A summary of their major effects is as follows:

SSAP 1 (Revised) prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The main revision to this SSAP is to change the requirements from presenting a statement of recognized gains and losses to a statement of changes in equity. The condensed consolidated statement of changes in equity for the current interim period and the comparative figures have been presented in accordance with the revised SSAP.

SSAP 11 (Revised) prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of this revised SSAP on the condensed consolidated financial statements is that the profit and loss account of subsidiaries and associates operating overseas are translated at an average rate for the period on consolidation, rather than translated at the applicable rates of exchange ruling at the balance sheet date as was previously required. This SSAP is required to be applied retrospectively. The Group has adopted the transitional provision of this SSAP that where the calculation of a prior year adjustment is impractical, these changes in policy are applied only to current and future financial statements and the effect on the results of the current period is not significant.

SSAP 15 (Revised) prescribes the provision of information about the historical changes in cash and cash equivalents by means of a cash flow statement which classifies cash flows during the period into operating, investing and financing activities. The condensed consolidated cash flow statement for the current interim period and the comparative figures have been presented in accordance with the revised SSAP.

SSAP 34 prescribes the accounting treatment and disclosures for employee benefits. This SSAP has had no major impact on these condensed consolidated financial statements.

2. SEGMENT INFORMATION

Segment information is presented on a primary segment reporting basis by business segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. 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 business segments. Summary details of the business segments are as follows:

- (a) Property investment and management;
- (b) Property construction and development; and
- (c) Horticultural services.

The operations outside Hong Kong contributed less than 10% of turnover and less than 10% of consolidated operating loss.

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.

Business segments

The following tables present revenue, profit/(loss) for the Group's business segments for the six months ended 30 June:

	Property investment and man- agement	Property construction and de- velopment	Horti- cultural services	Corporate and others	Elimi- nations	Con- solidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
2002 (<i>unaudited</i>)						
Segment revenue:						
Sales to external customers	18,697	6,219	1,482	-	-	26,398
Intersegment sales	1,822	1,096	-	-	(2,918)	-
Other revenue	-	-	-	155	-	155
	<u>20,519</u>	<u>7,315</u>	<u>1,482</u>	<u>155</u>	<u>(2,918)</u>	<u>26,553</u>
Total revenue						
Segment results	<u>10,278</u>	<u>(1,320)</u>	<u>(368)</u>	<u>(15,653)</u>	<u>4,956</u>	<u>(2,107)</u>
Interest income						<u>102</u>
Loss from operating activities						(2,005)
Finance costs						(8,658)
Share of loss of an associate	(1,912)					<u>(1,912)</u>
Loss before tax						(12,575)
Tax charge						<u>(117)</u>
Loss before minority interests						(12,692)
Minority interests						<u>8</u>
Net loss attributable to shareholders						<u>(12,684)</u>

2. SEGMENT INFORMATION (continued)

	Property investment and man- agement	Property construction and de- velopment	Horti- cultural services	Corporate and others	Elimi- nations	Con- solidated
2001 (Unaudited)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:						
Sales to external customers	17,671	24,370	1,530	-	-	43,571
Intersegment sales	1,330	985	-	-	(2,315)	-
Other revenue	-	-	-	304	-	304
	<u>19,001</u>	<u>25,355</u>	<u>1,530</u>	<u>304</u>	<u>(2,315)</u>	<u>43,875</u>
Segment results	<u>10,391</u>	<u>(3,891)</u>	<u>(269)</u>	<u>(14,471)</u>	<u>4,114</u>	<u>(4,126)</u>
Interest income						138
Loss from operating activities						(3,988)
Finance costs						(16,393)
Share of profit of an associate	270					270
						<u>(20,111)</u>
Loss before tax						(20,111)
Tax charge						(260)
						<u>(20,371)</u>
Loss before minority interests						(20,371)
Minority interests						136
						<u>(20,235)</u>
Net loss attributable to shareholders						<u>(20,235)</u>

3. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

	Six months ended 30 June	
	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
Depreciation	950	1,046
Cost of properties sold	7,127	26,563
Decrease in fair value of listed investments	48	44
Loss on disposal of fixed assets	-	91
Rental income, gross of HK\$18,127,000 (2001: HK\$16,739,000) less outgoings of HK\$2,195,000 (2001: HK\$1,828,000)	(15,932)	(14,911)
Interest income	(102)	(138)
Dividend from long term unlisted investment	-	(19)
	<u>(15,057)</u>	<u>(15,025)</u>

4. FINANCE COSTS

	Six months ended	
	30 June	
	2002	2001
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank loans and overdrafts	8,658	16,393

5. TAX

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended	
	30 June	
	2002	2001
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Share of tax attributable to an associate:		
Elsewhere	117	260

No provision for deferred tax has been made as the effect of all timing differences is immaterial.

6. BASIC LOSS PER SHARE

The calculation of basic loss per share is based on the net loss attributable to shareholders for the period of HK\$12,684,000 (2001: HK\$20,235,000) and the weighted average number of 1,001,001,819 (2001: 684,416,993) ordinary shares in issue during the period.

The fully diluted loss per share is not shown for both periods because the effect of any dilution is anti-dilutive.

7. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2002 (2001: Nil).

8. FIXED ASSETS

	(Unaudited)
	HK\$'000
At 1 January 2002	1,095,519
On acquisition of a subsidiary	241,118
Additions	922
Depreciation	(950)
	<hr/>
At 30 June 2002	1,336,609

9. OTHER LONG TERM ASSETS

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted equity investments, at cost	6,626	5,845
Less: Provision for impairment	(1,045)	(1,045)
	<u>5,581</u>	<u>4,800</u>
Loans receivable	7,145	7,495
Less: Provision for impairment	(3,650)	(3,650)
Less: Loans receivable classified as current assets - note 11	(3,441)	(3,776)
	<u>54</u>	<u>69</u>
Unlisted debentures, at cost	1,110	1,110
	<u>6,745</u>	<u>5,979</u>

10. PROPERTIES HELD FOR SALE

	<i>(Unaudited)</i>
	<i>HK\$'000</i>
At 1 January 2002	106,079
Disposal	(5,511)
At 30 June 2002	<u>100,568</u>

11. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	683	1,041
1-3 months	122	125
4-6 months	37	2
7-12 months	21	1
	<u>863</u>	<u>1,169</u>
Prepayments	887	1,005
Loan receivables - note 9	3,441	3,776
Tax reserve certificate	14,449	14,449
Deposits and other debtors	2,665	2,698
Retention money receivable	338	338
	<u>22,643</u>	<u>23,435</u>

The Group's trade receivables are normally invoiced with credit terms of 30 to 60 days of issuance.

12. OTHER CURRENT ASSETS

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Short term investments	87	135
Construction contracts	1,063	1,063
Tax recoverable	106	106
	<u>1,256</u>	<u>1,304</u>

13. TRADE AND OTHER PAYABLES

Details of trade and other payables are as follows:

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	475	1,515
1-3 months	–	23
4-6 months	–	35
7-12 months	63	90
Over 1 year	2,360	2,350
	<u>2,898</u>	<u>4,013</u>
Accruals	5,396	5,185
Deposits received	7,830	6,229
Retention money payables	6,435	6,135
Other liabilities	3,806	4,138
	<u>26,365</u>	<u>25,700</u>

14. INTEREST-BEARING BANK LOANS

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank loans, secured	573,832	480,518
Less: Portion classified as current liabilities	(52,157)	(11,640)
	<u>521,675</u>	<u>468,878</u>
Bank loans are repayable:		
Within one year	52,157	11,640
In the second year	41,088	84,218
In the third to fifth years, inclusive	369,426	384,660
Beyond five years	111,161	–
	<u>573,832</u>	<u>480,518</u>

Current portion of bank loans will be repaid by sales proceeds of properties held for sale, and unutilized bank loan facilities which amounted to approximately HK\$151.4 million as at 30 June 2002.

15. SHARE CAPITAL

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorised:		
2,000,000,000 ordinary shares of HK\$0.05 each	100,000	100,000
Issued and fully paid:		
1,494,833,986 (2001:684,416,993) ordinary shares of HK\$0.05 each	74,742	34,221

In January 2002, 63,000,000 new shares of HK\$0.05 each were issued to an independent third party for cash at HK\$0.175 per share. The proceeds has been applied for working capital purposes.

In April 2002, an open offer of 747,416,993 shares of HK\$0.05 each was made at a cash price of HK\$0.195 per share, to the public for aggregate consideration before expenses of HK\$145.7 million (the "Open Offer"). The proceeds has been applied as to approximately HK\$74.1 million for the acquisition of a subsidiary, and the remaining balance for the repayment of part of the bank loan of the subsidiary.

To comply with the Chapter 17 of the Listing Rules, the Company adopted a new share option scheme on 15 April 2002. As at 30 June 2002, the Company had 120 million outstanding share options, after corresponding adjustment for the Open Offer, which were granted to directors of the Company to subscribe in cash for fully paid ordinary shares of the Company at HK\$0.268 per share at any time on or before 10 July 2004. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 120,000,000 additional ordinary shares for gross proceeds of HK\$32,160,000.

16. RESERVES

	Share premium	Contributed surplus	Land and buildings revaluation reserve	Investment property revaluation reserve	Capital reserve	Exchange fluctuation reserve	Accumulated losses	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
At 1 January 2002	85,134	618,108	1,528	752,316	145,529	(194,065)	(214,406)	1,194,144
Premium arising on issue of new shares	7,875	-	-	-	-	-	-	7,875
Premium arising on issue of open offer shares	108,376	-	-	-	-	-	-	108,376
Share issuing expenses	(4,164)	-	-	-	-	-	-	(4,164)
Exchange realignment	-	-	-	-	-	26,016	-	26,016
Net loss for the period	-	-	-	-	-	-	(12,684)	(12,684)
Share of movements in reserves of an associate	-	-	-	(5,906)	18	(1,747)	-	(7,635)
At 30 June 2002	197,221	618,108	1,528	746,410	145,547	(169,796)	(227,090)	1,311,928

17. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from 1 to 2 years. The terms of the leases generally also require the tenants to pay security deposits.

As at 30 June 2002, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	19,615	16,691
In the second to fifth years, inclusive	1,046	801
	<u>20,661</u>	<u>17,492</u>

(b) As lessee

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 2 years, and those for office equipment for terms ranging between 2 and 5 years.

As at 30 June 2002, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	13	87
In the second to fifth years, inclusive	–	–
	<u>13</u>	<u>87</u>

18. CONTINGENT LIABILITIES

- (a) As at 30 June 2002, the Company had given unconditional guarantees to banks to secure loan facilities available to subsidiaries to the extent of approximately HK\$725.2 million (31 December 2001: HK\$649.0 million). The extent of such facilities utilised by the subsidiaries amounted to approximately HK\$573.8 million (31 December 2001: HK\$481.0 million).
- (b) As at 30 June 2002, the Group had given corporate guarantees to banks for issuing letters of indemnity to a third party in respect of contracts undertaken by certain subsidiaries, and to indemnify the repayment of certain mortgage loans. The total amount of the guarantees was approximately HK\$30.4 million (31 December 2001: HK\$30.4 million).

19. COMMITMENTS

As at 30 June 2002, the Group had the following outstanding commitments:

	30 June 2002	31 December 2001
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital commitments contracted for	1,170	1,950

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS AND FUTURE PROSPECTS

During the period, the Group continues to engage in property related businesses and provision of horticultural services. The decrease in turnover was mainly due to the decrease in the revenue from the business segment of property construction and development.

The Group recorded loss before tax of approximately HK\$12.6 million in 2002 which showed an improvement of approximately 37% over that of approximately HK\$20.1 million in 2001. The improvement of results was mainly attributable to the decrease in finance costs of approximately HK\$7.7 million. The decrease in finance costs was a result of the decrease in interest rates during the period.

In April 2002, an open offer of 747,416,993 shares of HK\$0.05 each was made at a cash price of HK\$0.195 per share, to the public for an aggregate consideration before expenses of HK\$145.7 million. The proceeds has been applied as to approximately HK\$74.1 million for the acquisition of a subsidiary, and the remaining balance for the repayment of part of the bank loan of the subsidiary. The subsidiary is engaged in the business of property investment and the principal asset of the subsidiary is a residential building in the mid-levels, Hong Kong.

The net asset value of the Group per share as at 30 June 2002 was approximately HK\$0.93 based on the 1,494,833,986 shares issued.

The Group will continue to look for any potential investment opportunities to broaden its earning base.

LIQUIDITY AND FINANCIAL RESOURCES

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report. The Group has no significant exposure to foreign exchange rate fluctuations except for the interest in an associate in Singapore which is held as long term investment. The Group's borrowings are denominated in Hong Kong dollars.

The gearing ratio of the Group continues to be maintained at a low level. It has substantial committed undrawn credit facilities from its bankers providing the Group with strong financing flexibility and liquidity to meet its funding needs and working capital requirements.

Majority of the Group's borrowings matures in or after 2006. As at 30 June 2002, the outstanding bank loan amounted approximately HK\$573.8 million was secured by the Group's investment properties, land and buildings and properties held for sale.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in note 15, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, 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.

DIRECTORS INTERESTS IN SHARES

At 30 June 2002, the interests of the directors in the share capital of the Company or its associated corporations as recorded in the register maintained by the Company pursuant to section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

(i) *Interests in the Company*

Name of director	Number of shares held and nature of interest	
	Corporate	
Cheong Pin Chuan, Patrick	599,881,787	
Cheong Kim Pong	599,881,787	
Cheong Pin Seng	599,881,787	
Cheong Sim Eng	599,881,787	
Lim Ghee	599,881,787	

Note: These directors are deemed to have corporate interests in the shares in the Company by virtue of their beneficial interests in the shares in Hong Fok Corporation Limited, a substantial shareholder of the Company.

(ii) *Interests in an associated corporation – Hong Fok Corporation Limited ("HFC")*

Name of director	Number of shares held and nature of interest			
	Corporate <i>Note (a)</i>	Personal	Family	Other <i>Note (b)</i>
Cheong Pin Chuan, Patrick	88,054,912	5,163,140	1,125,300	121,336,000
Cheong Kim Pong	88,054,912	2,571,980	503,000	121,336,000
Cheong Pin Seng	88,048,312	2,752,376	101,200	121,336,000
Cheong Sim Eng	21,877,512	55,036,000	207,000	121,336,000
Lim Ghee	–	6,619,092	–	121,336,000

Notes:

- These shares are beneficially held by a number of companies in which the directors have beneficial interests.
- These shares are beneficially held by Winfoong Holding Limited, a wholly-owned subsidiary of the Company. The directors are deemed to have interests in the shares in HFC by virtue of their direct and indirect interests in the Company.

Save as disclosed above and under the heading "Directors' rights to acquire shares", none of the directors or their associates had any personal, family, corporate or other interest in the equity or debt securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2002, the following interests of 10% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance.

Name	Notes	Number of shares held		%
		Direct	Indirect	
HFL International Consortium Limited ("HFL")		555,202,784	–	37.1
Hong Fok Enterprises Limited ("HFE")	(i)	–	555,202,784	37.1
Hong Fok Investment Holding Company, Limited ("HFIH")	(ii)	44,679,003	555,202,784	40.1
Hong Fok Corporation Limited ("HFC")	(iii)	–	599,881,787	40.1
Barragan Trading Corp.		285,312,566	–	19.1

Notes:

- (i) HFE was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFL, did in the issued share capital of the Company by virtue of HFE's interest in HFL.
- (ii) HFIH was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFE, did in the issued share capital of the Company by virtue of HFIH's interest in HFE. In addition, HFIH was directly interested in approximately 3.0% of the issued share capital of the Company.
- (iii) HFC was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFIH, did in the issued share capital of the Company by virtue of HFC's interests in HFIH.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CODE OF BEST PRACTICE

The directors are not aware of any information that would reasonably indicate that the Company is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules for any part of the accounting period covered by the interim report.

ON BEHALF OF THE BOARD

Patrick Cheong
Chairman

Hong Kong
27 September 2002