



祥泰行集團有限公司

CHEUNG TAI HONG HOLDINGS LIMITED

Since 1950 創立

Interim Report 2002

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CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002

	NOTES	Six months ended	
		30.9.2002 (unaudited) HK\$'000	30.9.2001 (unaudited) HK\$'000
Turnover	3	13,310	21,578
Cost of sales		(10,764)	(15,181)
Gross profit		2,546	6,397
Investment income		3,364	970
Other operating income		497	1,459
Distribution costs		(85)	(3,727)
Administrative expenses		(8,592)	(14,662)
Doubtful debts (written off) recovered		(5,120)	168
Unrealised holding loss in respect of investment securities		(16,864)	(1,421)
Impairment loss recognised in respect of properties under development		(34,100)	(7,641)
Impairment loss recognised in respect of leasehold properties		–	(3,600)
Recognition of negative goodwill as income		–	6,174
Loss from operations	4	(58,354)	(15,883)
Finance costs	5	(73)	(8)
Share of results of associates		–	6,289
Share of results of a jointly controlled entity		–	(17,614)
Loss on disposal of a subsidiary		(713)	–
Loss before taxation		(59,140)	(27,216)
Taxation	7	–	(7,601)
Loss before minority interests		(59,140)	(34,817)
Minority interests		13,903	3,208
Loss for the period		(45,237)	(31,609)
Loss per share (basic)	8	(2.1 cents)	(1.6 cents)

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30TH SEPTEMBER, 2002

	NOTES	30.9.2002 (unaudited) HK\$'000	31.3.2002 (audited) HK\$'000
Non-current assets			
Investment properties	9	24,500	24,500
Property, plant and equipment		2,968	2,456
Investments in securities		–	27
		<u>27,468</u>	<u>26,983</u>
Current assets			
Properties under development		170,908	171,091
Inventories		–	560
Investments in securities		33,499	416
Debtors, deposits and prepayments	10	5,049	21,953
Pledged bank deposits		–	5,000
Bank balances and cash		129,281	136,437
		<u>338,737</u>	<u>335,457</u>
Current liabilities			
Creditors and accrued charges	11	10,095	18,793
Amounts due to customers for contract work		–	455
Secured bank and other borrowings – due within one year		200,562	170,919
		<u>210,657</u>	<u>190,167</u>
Net current assets		<u>128,080</u>	<u>145,290</u>
Total assets less current liabilities		<u>155,548</u>	<u>172,273</u>
Non-current liabilities			
Secured bank borrowings – due after one year		4,024	4,077
Minority interests		<u>(12,399)</u>	<u>(2,717)</u>
		<u>163,923</u>	<u>170,913</u>
Capital and reserves			
Share capital		234,375	195,375
Reserves		(70,452)	(24,462)
		<u>163,923</u>	<u>170,913</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002

	Share capital	Share premium	Capital redemption reserve	Translation reserve	General reserve	Special reserve	Deficit	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2001	195,199	335,735	646	-	1,189	(8,908)	(292,925)	230,936
Exchange arising on translation of operations outside Hong Kong	-	-	-	80	-	-	-	80
Share of translation reserve of an associate	-	-	-	355	-	-	-	355
Share of translation reserve of a jointly controlled entity	-	-	-	971	-	-	-	971
Gains not recognised in the consolidated income statement	-	-	-	1,406	-	-	-	1,406
Loss for the period	-	-	-	-	-	-	(31,609)	(31,609)
At 30th September, 2001	195,199	335,735	646	1,406	1,189	(8,908)	(324,534)	200,733
Exercise of share options	176	-	-	-	-	-	-	176
Premium arising on issue of shares	-	9	-	-	-	-	-	9
Disposal of subsidiaries	-	-	-	(1,406)	(1,189)	-	-	(2,595)
Loss for the period	-	-	-	-	-	-	(27,410)	(27,410)
At 31st March, 2002	195,375	335,744	646	-	-	(8,908)	(351,944)	170,913
Issue of new shares	39,000	-	-	-	-	-	-	39,000
Expenses incurred in connection with issue of shares	-	(753)	-	-	-	-	-	(753)
Loss for the period	-	-	-	-	-	-	(45,237)	(45,237)
At 30th September, 2002	234,375	334,991	646	-	-	(8,908)	(397,181)	163,923

During the six months ended 30th September, 2002, 390,000,000 new shares were issued at HK\$0.10 each by way of placement.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002

	Six months ended	
	30.9.2002 (unaudited)	30.9.2001 (unaudited) (restated)
	HK\$'000	HK\$'000
Net cash used in operating activities	(3,750)	(10,991)
Net cash (used in) from investing activities	(62,680)	26,573
Net cash from (used in) financing	59,274	(2,039)
Net (decrease) increase in cash and cash equivalents	(7,156)	13,543
Cash and cash equivalents at beginning of the period	136,437	37,102
Effect of foreign exchange rate changes	–	364
Cash and cash equivalents at end of the period, representing bank balances and cash	129,281	51,009

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Statement of Standard Accounting Practice ("SSAP") 25 Interim Financial Reporting issued by the Hong Kong Society of Accountants.

2. PRINCIPAL ACCOUNTING POLICIES

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

In the current period, the Group adopted, for the first time, a number of new and revised SSAPs issued by the Hong Kong Society of Accountants, which has resulted in the adoption of certain new and revised accounting policies. The adoption of these SSAPs has resulted in a change in the format of presentation of the cash flow statement and the statement of changes in equity, but has no material effect on the results for the current or prior accounting periods.

3. SEGMENT INFORMATION

An analysis of the Group's turnover and loss from operations by business segment, the primary segment, is as follows:

Six months ended 30th September, 2002

	Continuing operations		Discontinued operations	Consolidated
	Motorcycles HK\$'000	Property HK\$'000	Air conditioning equipment HK\$'000	
REVENUE				
External sales	5,794	436	7,080	13,310
SEGMENT RESULTS	189	(35,605)	(5,368)	(40,784)
Unallocated corporate expenses				(17,570)
Loss from operations				(58,354)
Finance costs				(73)
Loss on disposal of a subsidiary				(713)
Loss before taxation				(59,140)
Taxation				-
Loss before minority interests				(59,140)
Minority interests				13,903
Loss for the period				(45,237)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Cont'd)
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002

3. SEGMENT INFORMATION (Cont'd)

Six months ended 30th September, 2001

	Continuing operations		Discontinued operations		Consolidated HK\$'000
	Motorcycles HK\$'000	Property HK\$'000	Air conditioning equipment HK\$'000	Pharmaceutical HK\$'000	
REVENUE					
External sales	5,594	934	11,591	3,459	21,578
SEGMENT RESULTS	10	(13,009)	(1,007)	(894)	(14,900)
Unallocated corporate expenses					(7,157)
Recognition of negative goodwill as income					6,174
Loss from operations					(15,883)
Finance costs					(8)
Share of results of associates					6,289
Share of results of a jointly controlled entity					(17,614)
Loss before taxation					(27,216)
Taxation					(7,601)
Loss before minority interests					(34,817)
Minority interests					3,208
Loss for the period					(31,609)

4. LOSS FROM OPERATIONS

	Six months ended	
	30.9.2002 HK\$'000	30.9.2001 HK\$'000
Loss from operations for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment		
– assets owned by the Group	192	628
– asset held under a finance lease	–	28
Gain on disposal of property, plant and equipment	(234)	–
Loss on disposal of investments in securities	17	–

5. FINANCE COSTS

	Six months ended	
	30.9.2002 HK\$'000	30.9.2001 HK\$'000
Interest on bank and other borrowings wholly repayable within five years	4,852	5,463
Less: Amount capitalised to properties under development	(4,779)	(5,455)
	73	8

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Cont'd)
 FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002

6. DISCONTINUED OPERATIONS

In August 2002, the Group ceased its operations in the trading of air conditioning equipment and provision of engineering related services after the disposal of a subsidiary, King-Tech Engineering Company Limited.

In November 2001, the Group ceased its operations in the manufacturing of pharmaceutical products, medicine and nutrients after the disposal of a subsidiary, Beijing Medical Health Development Co., Ltd. (北京海爾富藥業有限公司).

The results of the discontinued operations for the six months ended 30th September, 2002 were as follows:

	Six months ended			
	30.9.2002	30.9.2001		
	Air conditioning equipment HK\$'000	Air conditioning equipment HK\$'000	Pharmaceutical HK\$'000	Total HK\$'000
Turnover	7,080	11,591	3,459	15,050
Cost of sales	(5,301)	(7,768)	(2,202)	(9,970)
	<u>1,779</u>	<u>3,823</u>	<u>1,257</u>	<u>5,080</u>
Other operating income	59	224	65	289
Administrative expenses	(1,926)	(5,230)	(2,216)	(7,446)
Doubtful debts (written off) recovered	(5,280)	176	-	176
	<u>(5,368)</u>	<u>(1,007)</u>	<u>(894)</u>	<u>(1,901)</u>
Loss for the period up to date of discontinuance	<u>(5,368)</u>	<u>(1,007)</u>	<u>(894)</u>	<u>(1,901)</u>

7. TAXATION

The charge comprises taxation outside Hong Kong:

	Six months ended	
	30.9.2002 HK\$'000	30.9.2001 HK\$'000
The Company and subsidiaries	-	30
Share of taxation of associates	-	1,154
Share of taxation of a jointly controlled entity	-	6,417
	<u>-</u>	<u>7,601</u>

No provision for Hong Kong Profits Tax has been made for the Company and its subsidiaries as the Group incurred tax losses for the period.

Taxation outside Hong Kong was calculated at the rates prevailing in the relevant jurisdictions.

8. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	Six months ended	
	30.9.2002 HK\$'000	30.9.2001 HK\$'000
Loss for the period	(45,237)	(31,609)
	<u>(45,237)</u>	<u>(31,609)</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>2,190,310,498</u>	<u>1,951,993,121</u>

No diluted loss per share is presented as the exercise price of the share options was higher than the market price of the Company's ordinary shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Cont'd)
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002

9. INVESTMENT PROPERTIES

The directors considered that the value of the Group's investment properties as at 30th September, 2002 would not differ materially from the professional valuation made as at 31st March, 2002 and, accordingly, no revaluation surplus or deficit has been recognised in the current period.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows credit period of 30 days to its trade customers.

The following is an aged analysis of trade debtors at the reporting date:

	30.9.2002 HK\$'000	31.3.2002 HK\$'000
Up to 60 days	105	14,893
61 – 90 days	50	99
Over 90 days	67	159
	<u>222</u>	<u>15,151</u>
Other debtors, deposits and prepayments	4,827	6,802
	<u>5,049</u>	<u>21,953</u>

11. CREDITORS AND ACCRUED CHARGES

The following is an aged analysis of trade creditors at the reporting date:

	30.9.2002 HK\$'000	31.3.2002 HK\$'000
Up to 60 days	4,694	10,763
61 – 90 days	130	736
Over 90 days	1,792	2,705
	<u>6,616</u>	<u>14,204</u>
Other creditors and accrued expenses	3,479	4,589
	<u>10,095</u>	<u>18,793</u>

12. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the financial statements:

	30.9.2002 HK\$'000	31.3.2002 HK\$'000
For property development project	12,849	39,087
For acquisition of property, plant and equipment	–	8,550
	<u>12,849</u>	<u>47,637</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's turnover for the period ended 30th September, 2002 was HK\$13,310,000, representing a decrease of 38% over the same period of last year. Turnover was mainly derived from the trading of motorcycles and trading of air-conditioning equipment. The drop in turnover was mainly due to the decrease in the sales of air-conditioning equipment and the discontinued pharmaceutical operation in 2001. During the period ended 30th September, 2002, the Group recorded a loss of HK\$45,237,000, an increase of 43% compared with last year. The loss for the period is mainly attributed by the unrealised loss on holding of investment securities of HK\$16,864,000 and the impairment loss arising on the properties under development of HK\$34,100,000.

Property Development

The occupation permit for the property development project in Sheung Wan ("Sheung Wan Project") in which the Group owns 60% interest is ready in September 2002. The Group has begun its sales and marketing tasks to offer the units for sales under the name Talon Tower. In light of the new measures taken by the government recently to stabilize the property price in Hong Kong, the Group is hopeful that the proceeds from the sale can be used to repay a large portion of its loan for improvement of the Group's liquidity position.

Electrical and Mechanical Engineering and Distribution

Whilst the majority of the electrical engineering and distribution business activities are conducted in the People's Republic of China (the "PRC") by King-Tech Engineering Company Ltd. ("King-Tech"), which is subjected to severe competition by domestic alternative products and services, the Group perceives that a competitive operational position cannot be maintained without the injection of further financial resources, where the Group sees inappropriate at the prevailing market condition. In August, the Group disposed of its entire interest in King-Tech and ceased its business venture in the air-conditioning equipment business. The trading business of the motorcycles and spare parts in Hong Kong and Macau, however, is maintained.

Financial Review

The net assets of the Group as at 30th September, 2002 were HK\$163,923,000, a slight decrease of 4% over the latest year end date. The decrease in net assets was mainly attributed by the unrealized loss on holding of investment securities and the impairment loss arising on the properties under development and at the same time, the net assets were increased by HK\$39,000,000 by the placement of 390,000,000 new shares at HK\$0.10 per share for general working capital purpose. The placing was completed on 12th June, 2002.

The Group maintained a high cash reserve of HK\$129,281,000 and the secured land and construction loan in respect of the Talon Tower, Shueng Wan had increased to HK\$193,556,000 as at 30th September, 2002. The secured loan is denominated in Hong Kong dollars and is bearing interest with reference to the prime rate. In view of the relative low interest rate, the Group made no hedge for the floating prime rate based borrowings. Besides, the Group has pledged an investment property for a loan of HK\$4,130,000 in which the loan is bearing interest with reference to prime rate or HIBOR, whichever is higher. The gearing ratio (the ratio of total liabilities over total assets) was 59% (as at 31st March 2002: 53%).

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Financial Review (Cont'd)

The Group has limited exposure to foreign exchange rate fluctuation, as most of the transactions, including borrowings, are conducted in Hong Kong dollars and a lesser extent, Japanese Yen. The Japanese Yen sales are mostly backed by Japanese purchases, so exchange risk is minimal. Save as aforementioned, the Group has no other material foreign exchange commitment and risk.

Rewards for the Employees

As at 30th September, 2002, the Group employed about 12 staff. Staff are remunerated according to qualifications, experience, job performance as well as market conditions. The Group also provides other benefits such as medical and dental insurance cover and mandatory provident fund scheme. No share options were granted to any director and employee during the period under review.

Prospects

The economy is slow. The Group is endeavoring in making sales for the Sheung Wan Project with an aim to reducing its gearing and interest expenses.

INFORMATION REQUIRED BY THE LISTING RULES

Interim Dividend

The Board does not recommend the payment of interim dividend in respect of the six months ended 30th September, 2002 (2001: Nil).

Directors' Interests in Securities

As at 30th September, 2002, the interests of the directors of the Company and their associates in the securities of the Company and its associated corporations, within the meaning of the Hong Kong Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, were as follows:

As at 30th September, 2002, the following director had interests in the issued share capital of the Company:

Name	Personal Interests	Corporate Interests
Mr. Tse Cho Tseung	–	552,063,921 (Note)

Note: These Shares are beneficially owned by Lunghin Enterprise Inc. ("Lunghin"), a company incorporated in the British Virgin Islands whose entire issued share capital is beneficially owned by Mr. Tse Cho Tseung.

Save as disclosed above, none of the directors of the Company or any of their associates had any interests in any securities of the Company or any of its subsidiaries or associated corporations within the meaning of the SDI Ordinance as recorded in the register kept by the Company under Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Share Options

The Company adopted a new share option scheme (the "Scheme") which was approved by the shareholders in a general meeting on 26th August, 2002 in order to comply with the new requirements of Chapter 17 of the Listing Rules.

During the six months ended 30th September, 2002, no options had been granted to directors and eligible persons under the Scheme.

The share option scheme adopted by the Company on 28th February, 1994 (the "1994 Scheme") was terminated on 26th August, 2002. Upon termination of the 1994 Scheme, no further share options would be granted thereunder but the provisions of the 1994 Scheme shall remain in force and all share options granted prior to such termination shall continue to be valid and exercisable in accordance with the terms of the 1994 Scheme.

INFORMATION REQUIRED BY THE LISTING RULES (Cont'd)

Share Options (Cont'd)

The following table discloses movements in the Company's share options granted under the 1994 Scheme during the period:

	Date of grant	Exercise price HK\$	Number of share options of the Company		
			Outstanding at 1.4.2002	Cancelled during the year	Outstanding at 30.9.2002
Category 1: Directors					
Mr. Cheng Chak Hung, Ian*	30.4.1997	0.792	3,360,000	(3,360,000)	-
	19.6.1997	1.092	480,000	(480,000)	-
	25.11.1998	0.105	1,320,000	(1,320,000)	-
	20.12.1999	0.128	1,440,000	(1,440,000)	-
	14.3.2000	0.330	1,200,000	(1,200,000)	-
	26.8.2000	0.191	1,000,000	(1,000,000)	-
Mr. Leung Kwong Choi, James*	30.4.1997	0.792	3,360,000	(3,360,000)	-
	19.6.1997	1.092	480,000	(480,000)	-
	25.11.1998	0.105	1,320,000	(1,320,000)	-
	20.12.1999	0.128	1,440,000	(1,440,000)	-
	14.3.2000	0.330	1,200,000	(1,200,000)	-
	26.8.2000	0.191	1,000,000	(1,000,000)	-
Mr. Lee Sai Kai, David*	30.4.1997	0.792	3,360,000	-	3,360,000
	19.6.1997	1.092	480,000	-	480,000
	25.11.1998	0.105	2,200,000	-	2,200,000
	20.12.1999	0.128	1,500,000	-	1,500,000
	14.3.2000	0.330	1,200,000	-	1,200,000
Mr. Liu Ren Shung*	14.3.2000	0.330	6,200,000	-	6,200,000
Total directors			<u>32,540,000</u>	<u>(17,600,000)</u>	<u>14,940,000</u>

INFORMATION REQUIRED BY THE LISTING RULES (Cont'd)

Share Options (Cont'd)

	Date of grant	Exercise price HK\$	Number of share options of the Company		
			Outstanding at 1.4.2002	Cancelled during the year	Outstanding at 30.9.2002
Category 2: Employees					
Other employees	30.4.1997	0.792	1,764,000	–	1,764,000
Other employees	2.5.1997	0.825	480,000	–	480,000
Other employees	19.6.1997	1.092	504,000	(216,000)	288,000
Other employees	2.2.1998	0.100	611,000	(140,000)	471,000
Other employees	25.11.1998	0.105	440,000	–	440,000
Other employees	17.11.1999	0.117	290,000	(80,000)	210,000
Other employees	20.12.1999	0.128	3,900,000	–	3,900,000
Other employees	14.3.2000	0.330	<u>2,640,000</u>	–	<u>2,640,000</u>
Total employees			<u>10,629,000</u>	<u>(436,000)</u>	<u>10,193,000</u>
Total all categories			<u>43,169,000</u>	<u>(18,036,000)</u>	<u>25,133,000</u>

* *The directors resigned/vacated.*

Consideration of HK\$1 was received from each of the option holders for each lot at the time when the options were accepted.

INFORMATION REQUIRED BY THE LISTING RULES (Cont'd)**Share Options** (Cont'd)

Details of specific categories of options are as follows:

Date of grant	Exercisable period	Exercise price HK\$	Number of shares to be issued upon exercise of the share options
30th April, 1997	30th April, 1997 to 29th April, 2007	0.792	5,124,000
2nd May, 1997	2nd May, 1997 to 1st May, 2007	0.825	480,000
19th June, 1997	19th June, 1997 to 18th June, 2007	1.092	768,000
2nd February, 1998	2nd February, 1998 to 1st February, 2008	0.100	471,000
25th November, 1998	25th November, 1998 to 24th November, 2008	0.105	2,640,000
17th November, 1999	17th November, 1999 to 16th November, 2009	0.117	210,000
20th December, 1999	20th December, 1999 to 19th December, 2009	0.128	5,400,000
14th March, 2000	14th March, 2000 to 13th March, 2010	0.330	10,040,000
			25,133,000

In the five years from the date of grant, the exercise of the option is restricted to a cumulative total of 20% of the entitlement of the option in each year.

Substantial Shareholders

At 30th September, 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that the following persons had an interest of 10% or more of the issued share capital of the Company:

Name of person	Number of shares held	Percentage of issued share capital
Lunghin	552,063,921	23.55%

Mr. Tse Cho Tseung is interested in the 552,063,921 shares in the Company held by Lunghin by virtue of his 100% beneficial interest in the issued share capital of Lunghin. Details of the interest are disclosed under the section headed "Directors' Interests in Securities" above.

Pursuant to a loan agreement and a share mortgage agreement, both dated 29th October, 2001, entered into between Lunghin as the borrower and Loyal Concept Limited ("Loyal Concept") as the lender, Loyal Concept agreed to grant a loan facility to Lunghin subject to, inter alia, Lunghin agreed to pledge 448,500,000 shares of HK\$0.10 each in the capital of the Company, to secure the loan facility.

INFORMATION REQUIRED BY THE LISTING RULES (Cont'd)

Substantial Shareholders (Cont'd)

Pursuant to another share mortgage agreement dated 24th April, 2002 entered into between Lunghin as the borrower and Hanny Magnetics Limited ("Hanny Magnetics") as the lender, Hanny Magnetics agreed to grant a loan facility to Lunghin subject to, inter alia, Lunghin agreed to pledge 103,560,000 shares of HK\$0.10 each in the capital of the Company to secure the loan facility.

Loyal Concept and Hanny Magnetics are the wholly-owned subsidiaries of Hanny Magnetics (B.V.I.) Limited which in turn is a wholly-owned subsidiary of Hanny Holdings Limited.

Other than as disclosed above, the Company has not been notified of any other interest representing 10% or more of the issued share capital of the Company as at 30th September, 2002.

Audit Committee

The unaudited interim financial statements of the Group for the six months ended 30th September, 2002 have been reviewed by audit committee of the Company.

Corporate Governance

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th September, 2002, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

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.

By Order of the Board
Tse Cho Tseung
Chairman

Hong Kong, 12th December, 2002