

INTERIM RESULT

The board of directors (the "Board") of Gold-Face Holdings Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2002 together with comparative figures for the previous corresponding period in 2001 as follows:-

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30th September,							
		2002		2001		2002		2001	
		Continuing operations		Discontinuing operation		Total			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	254,751	168,861	3,722	19,904	258,473			188,765
Cost of sale		(222,211)	(105,349)	(1,260)	(5,974)	(223,471)			(111,323)
Gross profit		32,540	63,512	2,462	13,930	35,002			77,442
Other revenue		4,998	11,130	-	-	4,998			11,130
Operating expenses		(42,689)	(38,427)	(7,998)	(15,937)	(50,687)			(54,364)
(Loss) profit from operations		(5,151)	36,215	(5,536)	(2,007)	(10,687)			34,208
Finance costs		(32,729)	(31,012)	(276)	(133)	(33,005)			(31,145)
		(37,880)	5,203	(5,812)	(2,140)	(43,692)			3,063
Share of results of associates		(181)	(153)	-	-	(181)			(153)
(Loss) profit before taxation		(38,061)	5,050	(5,812)	(2,140)	(43,873)			2,910
Taxation	3	4,581	3,391	-	-	4,581			3,391
(Loss) profit before minority interests		(33,480)	8,441	(5,812)	(2,140)	(39,292)			6,301
Minority interests		(20)	(259)	-	-	(20)			(259)
Net (loss) profit for the period		(33,500)	8,182	(5,812)	(2,140)	(39,312)			6,042
(LOSS) EARNINGS PER SHARE									
Basic	4					(4 cents)			0.6 cent

CONDENSED CONSOLIDATED BALANCE SHEET

	At 30th September, 2002 (Unaudited) HK\$'000	At 31st March, 2002 (Audited) HK\$'000
<i>Notes</i>		
Non-current assets		
Investment properties	817,524	717,050
Property, plant and equipment	72,250	75,728
Properties under development	150,783	385,188
Properties held for future development	125,877	100,846
Loans receivable	126,630	93,777
Interest in associates	3,866	2,235
Investments in securities	3,602	2,705
	1,300,532	1,377,529
Current assets		
Properties held for sale	106,033	98,553
Properties under development	752,999	674,572
Loans receivable	81,805	60,600
Trade, prepayment and other receivables	8 56,674	78,086
Advances to associates	29,289	23,608
Taxation recoverable	158	171
Bank balances and cash	10,986	8,876
	1,037,944	944,466
Current liabilities		
Trade and other payables	9 217,346	174,379
Other creditors – due within one year	2,119	2,269
Taxation payable	22,126	27,351
Bank and other borrowings		
– due within one year	738,438	492,391
Convertible debentures	14,406	23,672
	994,435	720,062

**CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)**

	At 30th September, 2002 (Unaudited) HK\$'000	At 31st March, 2002 (Audited) HK\$'000
	<i>Notes</i>	
Net current assets	43,509	224,404
Total assets less current liabilities	1,344,041	1,601,933
Non-current liabilities		
Other creditors – due after one year	34,689	34,689
Bank and other borrowings – due after one year	515,206	733,216
Amount due to minority shareholders	4,564	4,763
	554,459	772,668
Minority interests	858	838
	788,724	828,427
Capital and reserves		
Share capital	93,981	94,073
Reserves	694,743	734,354
	788,724	828,427

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Six months ended 30th September,	
	2002	2001
	HK\$'000	HK'000
Net cash (outflow) inflow from operating activities	(53,225)	117,037
Net cash inflow (outflow) from investing activities	37,305	(161,616)
Net cash inflow from financing activities	17,538	99,335
Increase in cash and cash equivalents	1,618	54,756
Cash and cash equivalents at beginning of period	(90,562)	(141,313)
Cash and cash equivalents at end of period	(88,944)	(86,557)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2002

	Share capital	Share premium	Goodwill reserve	Investment Contri- buted reserve	Investment property revaluation reserve	Other property revaluation reserve	Capital redemption Translation reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1st April, 2002	94,073	380,795	(6,595)	(18,082)	136,715	15,880	573	4,993	(8,007)	228,082	828,427
Shares repurchased and cancelled		(92)									(92)
Premium on repurchase of shares		(299)									(299)
Transfer upon repurchase and cancellation of shares							92		(92)		-
Net loss for the period									(39,312)		(39,312)
At 30th September, 2002	93,981	380,496	(6,595)	(18,082)	136,715	15,880	573	5,085	(8,007)	188,678	788,724
At 1st April, 2001	93,270	370,949	(6,595)	(18,082)	145,813	15,880	1,497	3,699	(8,007)	229,074	827,498
Conversion of Convertible Debentures	596	4,465									5,061
Exercise of 2001 warrants	40	324									364
Realised on disposal of investment properties					(20,450)						(20,450)
On acquisition of a subsidiary					(663)						(663)
Net profit for the period									6,042		6,042
At 30th September, 2001	93,906	375,738	(6,595)	(18,082)	124,700	15,880	1,497	3,699	(8,007)	235,116	817,852



NOTES TO CONDENSED INTERIM ACCOUNTS

1. Basis of preparation and accounting policies

These unaudited consolidated condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants.

These condensed interim accounts should be read in conjunction with the 2002 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31st March, 2002 except that the Group has changed certain of its accounting policies following its adoption of the following new or revised SSAPs:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP11 (revised)	:	Foreign currency translation
SSAP15 (revised)	:	Cash flow statements
SSAP25 (revised)	:	Interim financial reporting
SSAP33	:	Discontinuing operations
SSAP34	:	Employee benefits

There is no material impact to the financial results and the financial position of the Group by adoption of the new or revised SSAPs mentioned above.

Certain comparative figures have been reclassified to conform to the current period's presentation.

2. Turnover and segment information

The Group is principally engaged in the business of property development and investment, operation of a power plant and money lending business in Hong Kong, other regions in the People's Republic of China (the "PRC") and the United Kingdom. During the period, the Group ceased its restaurant business in the United Kingdom.

An analysis of the Group's turnover and results for the period by business and geographical segments, are as follows:

Business Segments

Six months ended 30th September, 2002

	Continuing operations				Dis-continuing operation		Con-solidated HK\$'000
	Property dealing HK\$'000	Property leasing HK\$'000	Power plant HK\$'000	Financial services HK\$'000	Property management HK\$'000	Res-aurant HK\$'000	
Turnover	206,321	32,353	10,022	5,160	895	3,722	258,473
Result							
Segment result	(27,590)	18,537	215	3,505	182	(5,536)	(10,687)
Finance costs							(33,005)
Share of results of associates							(43,692)
							(181)
Loss before taxation							(43,873)
Taxation							4,581
Loss before minority interests							(39,292)
Minority interest							(20)
Net loss for the period							(39,312)

Six months ended 30th September, 2001

	Continuing operations				Dis-continuing operation		Con-solidated HK\$'000
	Property dealing HK\$'000	Property leasing HK\$'000	Power plant HK\$'000	Financial services HK\$'000	Property management HK\$'000	Res-aurant HK\$'000	
Turnover	<u>120,505</u>	<u>31,715</u>	<u>11,104</u>	<u>4,658</u>	<u>879</u>	<u>19,904</u>	<u>188,765</u>
Result							
Segment result	<u>7,484</u>	<u>21,705</u>	<u>2,848</u>	<u>4,026</u>	<u>152</u>	<u>(2,007)</u>	<u>34,208</u>
Finance costs							(31,145)
Share of results of associates							3,063 (153)
Profit before taxation							2,910
Taxation							3,391
Profit before minority interests							6,301
Minority interest							(259)
Net profit for the period							<u>6,042</u>

Geographical segments

	Sales revenue by geographical market six months ended 30th September,		Contribution to (loss) profit from operations six months ended 30th September,	
	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000
Hong Kong	194,745	143,135	(24,159)	22,970
The PRC	41,232	12,268	5,317	3,223
The United Kingdom	22,496	33,362	8,155	8,015
	<u>258,473</u>	<u>188,765</u>	<u>(10,687)</u>	<u>34,208</u>



3. Taxation

	Six months ended 30th September,	
	2002 HK\$'000	2001 HK\$'000
The credit (charge) comprises:		
Hong Kong Profits Tax		
Overprovision in prior years	6,121	3,645
Overseas taxation		
Current period	(1,540)	(254)
	<u>4,581</u>	<u>3,391</u>

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for the period. Oversea taxation is calculated at the rates prevailing in respective jurisdictions.

4. (Loss) earnings per share

The calculation of basic (loss) earnings per share is based on the Group's net loss for the period of HK\$39,312,000 (2001: profit of HK\$6,042,000) and on weighted average number of 940,444,793 (2001: 938,035,262) shares in issue during the period.

There is no dilution effect from outstanding convertible debenture.

5. Discontinuing operation

On 31st July, 2002, the Group ceased its restaurant business as the business was unable to generate a profit for the Group.

6. Staff costs

	Six months ended 30th September,	
	2002 HK\$'000	2001 HK\$'000
Salaries and retirement benefits scheme contributions	<u>15,134</u>	<u>20,796</u>

**7. Fixed assets**

	Investment properties <i>HK\$'000</i>	Property, plant and equipment <i>HK\$'000</i>
At 1st April, 2002	717,050	75,728
Transferred from properties under development	100,474	–
Additions	–	1,564
Disposals	–	(1,681)
Depreciation/amortisation	–	(3,361)
At 30th September, 2002	<u>817,524</u>	<u>72,250</u>

8. Trade, prepayment and other receivables

The Group adopts a flexible credit policy in line with prevailing marketing strategy. The credit periods granted to customers ranged from 30 days to 90 days on average. The following is an aged analysis of trade debtors of the Group:

	At 30th September, 2002 <i>HK\$'000</i>	At 31st March, 2002 <i>HK\$'000</i>
Trade debtors		
0 – 60 days	9,465	15,682
60 – 90 days	1,285	16,368
Over 90 days	5,510	9,593
	<u>16,260</u>	<u>41,643</u>
Prepayments and other receivables	40,414	36,443
	<u>56,674</u>	<u>78,086</u>



9. Trade and other payables

The following is an aged analysis of trade creditors of the Group:

	At 30th September, 2002 HK\$'000	At 31st March, 2002 HK\$'000
Trade creditors		
0 – 60 days	51,618	34,569
61– 90 days	6,011	3,556
Over 90 days	42,285	32,049
	99,914	70,174
Other payables	117,432	104,205
	217,346	174,379

10. Contingent liabilities

	At 30th September, 2002 HK\$'000	At 31st March, 2002 HK\$'000
Guarantees given by the Group to banks in respect of banking facilities granted to an associate	30,000	30,000
The extent of such facilities utilised by the associate	29,985	28,985

11. Arbitration

The arbitration as mentioned in the 2002 annual report is still in progress and final decision has not yet been issued.



INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend (2001: Nil).

BUSINESS REVIEW AND PROSPECTS

Turnover amounted to HK\$258,473,000 during the six months ended 30th September, 2002. They were mainly attributable to the sale of Villa Pinada, the Aegean and the Chang An Town property. Owing to the severe competition in the property market, we offered significant sale discounts and rebate to the buyers and these offers further reduced the gross profit from the sale of properties. The Group had a net loss of HK\$39,312,000 during the period. It was mainly attributable to the loss from the property dealing and the restaurant business. The Group ceased its restaurant business during the period as it was unable to generate a profit for the Group.

The construction of an investment property located in London China Town was completed during the period. All the units of the property are rented out.

The Group is actively marketing the luxury house project at Bowen Road. In order to further reduce the borrowing level of the Group, the directors have decided to dispose some of the investment properties and expect that these properties can be sold at a satisfactory selling price.

In November 2002, the government announced various measures to revive the sluggish property market. These measures will restore public confidence and lift the economy. The property sale figure in the market has increased gradually since the announcement. The directors are optimistic about the property market in the coming year.

FINANCIAL RESOURCES AND LIQUIDITY

The aggregate bank and other borrowing as at 30th September, 2002 was HK\$1,253,644,000 (31st March, 2002: HK\$1,225,607,000). As at 30th September, 2002, the net asset value of the Group was HK\$788,724,000 representing approximately HK\$0.84 per share. The gearing ratio, calculated as ratio of non-current liabilities to shareholders' funds as at 30th September, 2002 was 0.7.

The Group will continue to sell its properties so as to maintain a healthy borrowing level of the Group. The directors believe that the Group will continue to obtain the support of current banks and that it will have sufficient funding for its operational requirements.

DIRECTORS' INTERESTS IN SECURITIES

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

Name of director	Personal interests	Number of shares held		
		Family interests	Corporate interests	Other interests
Mr. Tai Kuen, S.B.S., J.P.	1,518,000	–	–	–
Mr. Tai Chi Wah (<i>Notes i & ii</i>)	27,586,000	–	322,863,556	–
Mr. Poon Chi Fai, J.P.	120,000	–	–	–
Mr. Tai Yiu Wah, Robert	454,000	–	–	–
Madam Tai Seow Yoke Peng (<i>Notes i, iii & iv</i>)	1,490,000	260,053,556	–	–
Mr. Charles Arthur Alan Nicol, O.B.E., A.M.N.	160,000	–	–	–
Mr. Wan Tai Min, Tommy	120,000	–	–	–
Mr. Wong Po Lung, John	310,000	–	–	–
Mr. Liu Chun Ning, Wilfred	–	–	–	–

Notes:

- (i) 154,427,556 shares are held through Questrole Profits Limited ("Questrole Profits"), a company incorporated in the British Virgin Islands. Questrole Profits is beneficially owned by a discretionary trust, the discretionary objects of which include Mr. Tai Chi Wah and the spouse of Madam Tai Seow Yoke Peng and their respective family members.
- (ii) 168,436,000 shares are held through Propertyline Properties Limited ("Propertyline"), a company incorporated in the British Virgin Islands. Propertyline is beneficially owned by a discretionary trust, the discretionary objects of which include Mr. Tai Chi Wah and his family members.
- (iii) 104,236,000 shares are held by Oodless Investment Limited, a company incorporated in Hong Kong and beneficially owned by the spouse of Madam Tai Seow Yoke Peng as to 99.99% and by her as to 0.01%.
- (iv) 1,390,000 shares are held by the spouse of Madam Tai Seow Yoke Peng.

Other than as disclosed above and certain nominee shares in subsidiaries held by certain directors in trust for the Company or its subsidiaries, none of the directors, or their associates, had any interest in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

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

During the six months ended 30th September, 2002, the Company repurchased a total of 920,000 shares of HK\$0.10 each in the share capital of the Company through the Stock Exchange, all of which were then cancelled, at an aggregate price of HK\$391,150. The directors considered that, as the Company's shares were trading at a relative low price per share and did not reflect the underlying value of the Company, the above mentioned share repurchases would be beneficial to the Company.

Save as aforesaid, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of the directors, the following shareholder had an interest of 10% or more in the share capital of the Company:

Name of shareholder	Number of shares	%
Value Consultants Limited	131,697,600	14

Other than as disclosed above and under "Directors' Interests in Securities", the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 30th September, 2002.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the period ended 30th September, 2002 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.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30th September, 2002.

On behalf of the Board

Tai Kuen, S.B.S., J.P.

Chairman

Hong Kong, 18th December, 2002