

RESULTS

The Board of Directors are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries ("the Group") for the six months ended 30th September, 2002 as follows:

Condensed Consolidated Profit and Loss Account

		Six months ended 30th September,	
	Notes	2002 <i>Unaudited</i> HK\$'000	2001 <i>Unaudited</i> HK\$'000 <i>(Restated)</i>
TURNOVER			
Cost of sales	2	688,303 <u>(636,309)</u>	720,357 <u>(653,647)</u>
Gross profit		51,994	66,710
Other revenue	3	8,774	5,293
Selling expenses		(1,242)	(456)
Administrative expenses		(16,090)	(15,705)
Other operating expenses		(1,428)	(4,258)
Provision for impairment of fixed assets		—	(10,254)
PROFIT FROM OPERATING ACTIVITIES		<u>42,008</u>	<u>41,330</u>
Finance costs		(7,031)	(12,656)
Share of losses of associates		—	(2)
PROFIT BEFORE TAX	4	<u>34,977</u>	28,672
Tax	5	(10,175)	(4,883)
PROFIT BEFORE MINORITY INTERESTS		<u>24,802</u>	23,789
Minority interests		(14,702)	(13,036)
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u><u>10,100</u></u>	<u><u>10,753</u></u>
EARNINGS PER SHARE (in cents)	6		
Basic		<u>1.38</u>	<u>1.47</u>
Diluted		<u>N/A</u>	<u>1.47</u>

Condensed Consolidated Balance Sheet

	Notes	As at 30th September, 2002 <i>Unaudited</i> HK\$'000	As at 31st March, 2002 <i>Audited</i> HK\$'000
NON-CURRENT ASSETS			
Fixed assets		263,230	308,601
Investment properties		845,320	845,320
Deposit paid for a property under development		93,368	71,807
Interests in associates		197	288
Goodwill:			
Goodwill		2,256	2,771
Negative goodwill		(33,824)	(35,720)
Other assets		2,249	2,249
		<u>1,172,796</u>	<u>1,195,316</u>
CURRENT ASSETS			
Short term investments		188	167
Inventories		9,683	10,358
Property held for sale		22,876	27,546
Property under development for sale		26,005	55,215
Amounts due from customers for contract work		62,530	31,290
Trade receivables	7	348,798	363,197
Other receivables, prepayments and deposits		34,054	21,510
Tax prepaid		543	—
Cash and bank balances		163,969	158,665
		<u>668,646</u>	<u>667,948</u>
CURRENT LIABILITIES			
Trade payables and accruals	8	215,697	184,914
Other payables, deposits received and receipts in advance		26,859	26,075
Amounts due to customers for contract work		41,944	38,274
Interest-bearing loans and borrowings		265,112	318,944
Tax payable		11,328	5,504
		<u>560,940</u>	<u>573,711</u>
NET CURRENT ASSETS		107,706	94,237
TOTAL ASSETS LESS CURRENT LIABILITIES		1,280,502	1,289,553
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings		126,125	151,376
Deferred tax		11,000	12,000
		<u>137,125</u>	<u>163,376</u>
		<u>1,143,377</u>	<u>1,126,177</u>
CAPITAL AND RESERVES			
Issued capital		73,186	73,186
Reserves		573,601	566,547
		<u>646,787</u>	<u>639,733</u>
Minority interests		496,590	486,444
		<u>1,143,377</u>	<u>1,126,177</u>

Condensed Consolidated Statement of Changes in Equity

	Share capital HK\$'000	Share premium account HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits /(Accumulated losses) HK\$'000	Proposed final dividend HK\$'000	Total HK\$'000
At 31st March 2002 (Audited)	73,186	508,577	3,398	3,720	47,925	2,927	639,733
Profit for the period	—	—	—	—	10,100	—	10,100
Final dividend declared	—	—	—	—	—	(2,927)	(2,927)
Exchange realignment	—	—	—	(119)	—	—	(119)
At 30th September 2002 (Unaudited)	<u>73,186</u>	<u>508,577</u>	<u>3,398</u>	<u>3,601</u>	<u>58,025</u>	<u>—</u>	<u>646,787</u>
At 31st March 2001 (Audited)	73,186	508,577	3,158	3,171	33,779	—	621,871
Profit for the period	—	—	—	—	10,753	—	10,753
Transfer to statutory reserves	—	—	156	—	(156)	—	—
Exchange realignment	—	—	—	(218)	—	—	(218)
At 30th September 2001 (Unaudited)	<u>73,186</u>	<u>508,577</u>	<u>3,314</u>	<u>2,953</u>	<u>44,376</u>	<u>—</u>	<u>632,406</u>

Condensed Consolidated Cash Flow Statement

	Six months ended 30th September,	
	2002 Unaudited HK\$'000	2001 Unaudited HK\$'000 (Restated)
Net cash inflow from operating activities	107,327	63,620
Net cash used in investing activities	(14,055)	(58,682)
Net cash (used in)/from financing activities	(85,616)	31,434
Increase in cash and cash equivalents	<u>7,656</u>	<u>36,372</u>
Cash and cash equivalents at beginning of period	139,425	55,252
Effect of foreign exchange rate changes, net	(116)	(329)
Cash and cash equivalents at end of period	<u>146,965</u>	<u>91,295</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	150,666	57,993
Time deposits	13,303	40,185
Bank overdrafts	(17,004)	(6,883)
	<u>146,965</u>	<u>91,295</u>

Notes

1. Basis of preparation and accounting policies

The unaudited condensed financial statements of the Group have been prepared in accordance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the Group's audited financial statements for the year ended 31st March 2002 except that the Group has adopted, for the first time, a number of new and revised Statements of Standard Accounting Practice (SSAPs) issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1st January 2002:

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

The adoption of these SSAPs do not have any material impact on accounting policies and financial results of the Group except that certain comparative figures have been reclassified to conform with the new disclosure requirements.

2. Segment information

(a) Business segments

The following tables present revenue and profit/(loss) for the Group's business segments for the six months ended 30th September.

	Foundation piling		E&M engineering and building construction		Machinery leasing and trading		Property investment and management		Property development		Unallocated		Eliminations		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:																
Sales to external customers	338,285	509,777	204,325	143,548	11,129	12,972	43,961	45,701	70,603	8,359	—	—	—	—	688,303	720,357
Intersegment sales	214	—	—	—	3,297	10,517	300	330	—	—	—	—	(3,811)	(10,847)	—	—
Total	338,499	509,777	204,325	143,548	14,426	23,489	44,261	46,031	70,603	8,359	—	—	(3,811)	(10,847)	688,303	720,357
Segment results	15,743	38,539	11,614	8,640	(3,763)	(13,368)	20,592	21,541	11,338	138	(14,410)	(14,947)	—	—	41,114	40,543
Interest income															892	777
Dividend income															2	10
Profit from operating activities															42,008	41,330
Finance costs															(7,031)	(12,656)
Share of losses of associates															—	(12)
Profit before tax															34,977	28,672
Tax															(10,175)	(4,883)
Profit before minority interests															24,802	23,789
Minority interests															(14,702)	(13,036)
Net profit from ordinary activities attributable to shareholders															10,100	10,753

2. **Segment information** (Cont'd)

(b) Geographical segments

The following tables present revenue and profit/(loss) for the Group's geographical segments for the six months ended 30th September.

	Hong Kong		Elsewhere in the PRC		Unallocated		Consolidated	
	2002 <i>Unaudited</i> HK\$'000	2001 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000	2001 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000	2001 <i>Unaudited</i> HK\$'000	2002 <i>Unaudited</i> HK\$'000	2001 <i>Unaudited</i> HK\$'000
Segment revenue:								
Sales to external customers	<u>574,907</u>	<u>667,972</u>	<u>113,396</u>	<u>52,385</u>	<u>—</u>	<u>—</u>	<u>688,303</u>	<u>720,357</u>
Segment results	<u>24,576</u>	<u>34,571</u>	<u>30,948</u>	<u>20,919</u>	<u>(14,410)</u>	<u>(14,947)</u>	<u>41,114</u>	<u>40,543</u>

3. **Other revenue**

	Six months ended 30th September,	
	2002 <i>Unaudited</i> HK\$'000	2001 <i>Unaudited</i> HK\$'000
Interest income	892	777
Insurance claims	427	631
Foreign exchange gains, net	—	206
Gain on disposal of fixed assets	1,548	717
Unrealised holding gains on short term listed investments	21	12
Negative goodwill recognised as income during the period	1,897	1,897
Dividend income from listed investments	2	10
Others	3,987	1,043
	<u>8,774</u>	<u>5,293</u>

4. **Profit before tax**

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30th September,	
	2002 <i>Unaudited</i> HK\$'000	2001 <i>Unaudited</i> HK\$'000
Amortisation of goodwill	516	1,147
Depreciation	42,365	46,979
Interest expenses	9,369	13,996
Less: Amount capitalised in properties under development	(2,338)	(1,340)
	<u>7,031</u>	<u>12,656</u>

5. **Tax**

	Six months ended 30th September,	
	2002 <i>Unaudited</i> HK\$'000	2001 <i>Unaudited</i> HK\$'000
Provision for tax in respect of profit for the period:		
People's Republic of China:		
Hong Kong	3,827	1,990
Elsewhere	7,350	4,016
Overprovision in prior year:		
People's Republic of China:		
Hong Kong	(2)	—
Elsewhere	—	(123)
Deferred tax	(1,000)	(1,000)
	<u>10,175</u>	<u>4,883</u>

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere in the People's Republic of China have been calculated at the applicable tax rates prevailing in the areas in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

6. Earnings per share

The calculation of basic earnings per share is based on the Group's net profit from ordinary activities attributable to shareholders of HK\$10,100,000 (2001: HK\$10,753,000) and on the weighted average number of 731,865,903 (2001: 731,865,903) ordinary shares in issue during the period.

Diluted earnings per share has not been shown as the share options outstanding during the period had an anti-dilutive effect on the basic earnings per share for the period.

The comparative figure of fully diluted earnings per share for the period ended 30th September 2001 was based on the Group's net profit from ordinary activities attributable to shareholders of HK\$10,753,000 and on the weighted average number of 731,865,903 ordinary shares in issue during the period plus the weighted average number of 859,843 potential dilutive ordinary shares deemed to be issued in respect of the outstanding share options during the period.

7. Trade receivables

	As at 30th September, 2002 <i>Unaudited</i> HK\$'000	As at 31st March, 2002 <i>Audited</i> HK\$'000
Trade receivables with aging analysis:		
Within 90 days	227,603	265,673
91 to 180 days	5,274	9,174
181 to 360 days	27,119	526
Over 360 days	519	572
	<u>260,515</u>	<u>275,945</u>
Retention receivables	88,283	87,252
	<u>348,798</u>	<u>363,197</u>

The Group has established credit policies that follow local industry standards. The average normal credit periods offered to trade customers are within 90 days, and are subject to periodic review by management.

8. Trade payables and accruals

	As at 30th September, 2002 <i>Unaudited</i> HK\$'000	As at 31st March, 2002 <i>Audited</i> HK\$'000
Trade payables with aging analysis:		
Within 30 days	112,230	80,792
31 to 90 days	5,209	16,643
91 to 180 days	2,134	843
Over 180 days	2,743	488
	<u>122,316</u>	<u>98,766</u>
Retention payables	28,229	23,355
Accruals	65,152	62,793
	<u>215,697</u>	<u>184,914</u>

9. Commitments and contingent liabilities

	As at 30th September, 2002 <i>Unaudited</i> HK\$'000	As at 31st March, 2002 <i>Audited</i> HK\$'000
(a) Future capital expenditure		
Contracted for but not provided in the financial statements	116,834	128,938
Authorised but not contracted for	—	—
	<u>116,834</u>	<u>128,938</u>
(b) Commitments under non-cancellable operating leases for land and buildings to make payments		
Within one year	6,435	6,435
In the second to fifth years inclusive	9,217	12,524
	<u>15,652</u>	<u>18,959</u>
(c) Contingent liabilities		
Long service payments	7,052	8,355
Guarantees in respect of performance bonds	138,179	195,250
	<u>145,231</u>	<u>203,605</u>

10. Comparative figures

Certain comparative amounts have been restated to conform with the current period's presentation.

BUSINESS REVIEW AND PROSPECTS

For the six months ended 30th September, 2002, the Group's turnover and net profit attributable to shareholders was HK\$688.3 million and HK\$10.1 million respectively.

Hong Kong Market

Foundation Piling

The prolong sluggish real estate market has undoubtedly extended the winter season for the construction industry. As a result, for the period under review, the turnover of the Group's foundation division decreased to HK\$358.5 million while contribution to profit amounted to HK\$15.7 million. However, since the Group has already anticipated such phenomenon and thereby took measures to improve its efficiency, it is thus well prepared to face the severe climate. With regards to the Group's outstanding works, over 80% are from the private sector while the remaining are from the public sector. The Group has secured many school project works and other major contracts on hand include, inter alia, private sector projects in Hunghom Bay KIL11110, Hoi Fai Road KIL11158 and Ma Tau Kok.

E&M Engineering and Building Construction

During the period under review, the turnover of the Group's E&M engineering and building construction divisions increased 42% to HK\$204.3 million while contribution increased 34% to HK\$11.6 million. Against a very competitive environment, the Group still expects the divisions to yield stable returns.

Machinery Hiring and Trading

Though the local tower cranes market remains weak, the overall pricing has ended its vicious downward spiral path. For the period under review, the Group's trading in tower cranes has picked up some momentum with Korea and Taiwan being the most active partners. In order to further improve its operating efficiency, the Group will continue to downsize its tower cranes division, reduce costs and expand into other construction related product lines.

PRC Market

Property Investment and Development

The Group has completed its residential development project, Tiffany Court located in Changning, Shanghai, in the end of November 2002, one month ahead of schedule. The project has been a success with over 95% of the units sold before completion. The confidence in the economic prospects among locals and foreigners is one of the major forces that has driven the growth of Shanghai's property market. The Group will commence Phase 1 of its newly acquired site in Putuo, Shanghai, early next year. The project site, which overlooks Suzhou river with Jingan district situated across, will be developed into a mid-range priced residential complex of about 150,000 sqm mainly targeting to the increasingly affluent local young white-collars. In view of the rising demand for affordable housing in Shanghai's domestic mass market, the Group is confident in the success of the project. With the Group's experienced and dedicated property management team and a growing expatriate population, the Group's investment properties in Shanghai and Tianjin have continued to enjoy steady recurrent income and satisfactory occupancy rates.

Capital Structure and Liquidity

The Group continues to adopt a prudent financing policy and sustains a sound capital structure with healthy cashflow. As at 30th September 2002, the Group's cash on hand amounted to HK\$164 million while total assets and net assets were HK\$1,841 million and HK\$647 million respectively. As compared to 31st March 2002, working capital has improved by 14% to HK\$108 million. The Group's net borrowings were HK\$227 million, a reduction of 27% as compared to HK\$312 million as at 31st March 2002. The total liabilities to total assets gearing ratio was maintained at a healthy level of 37.9% (31st March 2002: 39.6%). As at 30th September 2002, contingent liabilities were HK\$138 million in relation to guarantees of performance bonds while certain of the Group's fixed assets and investment properties with a book value of approximately HK\$268 million have been pledged to secure certain banking facilities of the Group. The Group's bank borrowings were mostly denominated in Hong Kong dollars but Renminbi loan facilities has been arranged for its PRC subsidiaries. The currency exposure in the Renminbi borrowings has been hedged by the Group's Renminbi assets and revenue as generated by its PRC properties.

In view of the prevailing relatively low interest rates, the Group has just raised a HK\$150 million 3-year term loan mainly to refinance its higher cost HK\$100 million term loan raised in June 2001. The facility, arranged by Industrial and Commercial Bank of China (Asia) Limited and BNP Paribas, was well received and more importantly, signifies the overall financial strength of and the bankers' confidence in the Group.

Prospects

The government's recent nine-point stimulus package is a booster which aims mainly at controlling the supply side of the real estate formula. In order for Hong Kong's flagging property market to rebound, consumers' confidence, the vital component of the demand side, must somehow be revived. Since unemployment rate remains at record high levels and economic outlook remains uncertain, the road to recovery will undoubtedly be long and winding. Since the Group believes in "survival of the fittest", it has already gone through a strategic organization workout which gave it a flexible lean structure. The Group is thus confident that when the right climate returns, it will be one of the best performers in the market to benefit.

Contrary to Hong Kong's doldrums, China's rapid economic growth, rising per capital income, soaring confidence and flood of foreign investment are creating opportunities for its real estate sector. With such buoyant background, coupled with the Group's experience and understanding of the local law and government authorities and its ability to control costs as a project manager, the Group is confident in its diversification into China's property market. Such strategic move has not only created a balancing effect on the Group's business, industry and geographical risks but also established a strong foothold and competitive advantage for the Group to capture on China's opportunities.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend (2001 : HK0.40 cent) for the six months ended 30th September 2002.

EMPLOYMENT AND REMUNERATION POLICIES

The Group, including its subsidiaries and joint ventures in Hong Kong and the PRC, employed approximately 1,000 employees as at 30th September 2002. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Share options may also be granted in accordance to the terms of the Group's approved share option scheme.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

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

(A) Ordinary shares of the Company

Name of Director	Number of ordinary shares held		
	Personal Interest	Family Interest	Corporate Interest
Cheung Francis	27,856,600	—	233,932,200 ⁽¹⁾
Fung Chiu Chak, Victor	21,043,600	—	—
Chien David	96,521,020	—	—
Lai Henry	15,953,665	3,267,000	204,756,200 ⁽²⁾

Notes:

- 171,237,000 shares and 33,519,200 shares were held by Power Link Investments Limited and Easternfunds Limited, respectively, which were both controlled by Cheung Francis and Lai Henry. 20,728,000 shares and 8,448,000 shares were held by Grand Thunder Limited and Long Billion International Limited respectively, which were both controlled by Cheung Francis.
- 171,237,000 shares and 33,519,200 shares were held by Power Link Investments Limited and Easternfunds Limited, respectively, which were both controlled by Cheung Francis and Lai Henry.

(B) Ordinary shares of subsidiaries

Name of director	Subsidiary in which shares are held	Number of shares held	Nature of interest
Fung Chiu Chak Victor	Tysan Engineering Company Limited	800	Personal
	Tysan Building Construction Company Limited	350,000	Personal

In addition to the above, certain directors have non-beneficial personal interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

The interests of the directors in the share options of the Company are separately disclosed in the section "Share option scheme" below.

Save as disclosed above, none of the directors or their associates or the chief executives had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Share option scheme" below, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age or chief executives, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

On 28th August 2002, the Company adopted a new share option scheme (the "New Scheme") whereby, the directors may, at their discretion, invite any eligible employees, executives or directors (including both executive directors and non-executive directors) of the Company or its subsidiaries to take up options to subscribe for shares. During the period for the six months ended 30th September 2002, the Company did not grant any options under the New Scheme.

Meanwhile, the share option scheme adopted by the Company on 27th September 2000 (the "2000 Scheme") ceased to operate on 28th August 2002. However, the options granted under the 2000 Scheme will remain in full force and effect. The following share options were outstanding under the 2000 Scheme during the period:

Name or category of participant	Number of share options					At 30th September 2002	Date of grant of share options*	Exercise period of share options	Exercise price of share options** HK\$
	At 1st April 2002	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				
Directors of the Company									
Cheung Francis	3,000,000	—	—	—	—	3,000,000	21st March 2001	1st April 2002 to 31st March 2004	0.200
Fung Chiu Chak Victor	3,000,000	—	—	—	—	3,000,000	21st March 2001	1st April 2002 to 31st March 2004	0.200
Kwok Jennifer	1,500,000	—	—	—	—	1,500,000	21st March 2001	1st April 2002 to 31st March 2004	0.200
Chien David	1,500,000	—	—	—	—	1,500,000	21st March 2001	1st April 2002 to 31st March 2004	0.200
Other employees									
In aggregate	6,600,000	—	—	—	—	6,600,000	21st March 2001	1st April 2002 to 31st March 2004	0.200
	<u>15,600,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>15,600,000</u>			

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date are deleted from the outstanding options.

SUBSTANTIAL SHAREHOLDERS

At 30th September 2002, the following shareholders had notified the Company of a direct or indirect interest in 10% or more of the issued share capital of the Company:

Name	Number of shares held
Power Link Investments Limited	171,237,000 [#]
Chien David	96,521,020 [#]

[#] The shareholdings are duplicated in the section "Directors' and chief executives' interests in shares" disclosed above.

Apart from the foregoing, no person, other than Cheung Francis, Fung Chiu Chak, Victor, Lai Henry and Chien David, who are directors of the Company and whose interests are set out in the section "Directors' and chief executives' interests in shares" above, had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the Securities (Disclosure of Interests) Ordinance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, there were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

Audit Committee

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

Code of Best Practice

None of the directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not at any time during the six months ended 30th September, 2002, in compliance with Appendix 14 of the Listing Rules except that non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-Laws of the Company.

By Order of the Board
CHEUNG Francis
Chairman

Hong Kong, 13th December, 2002