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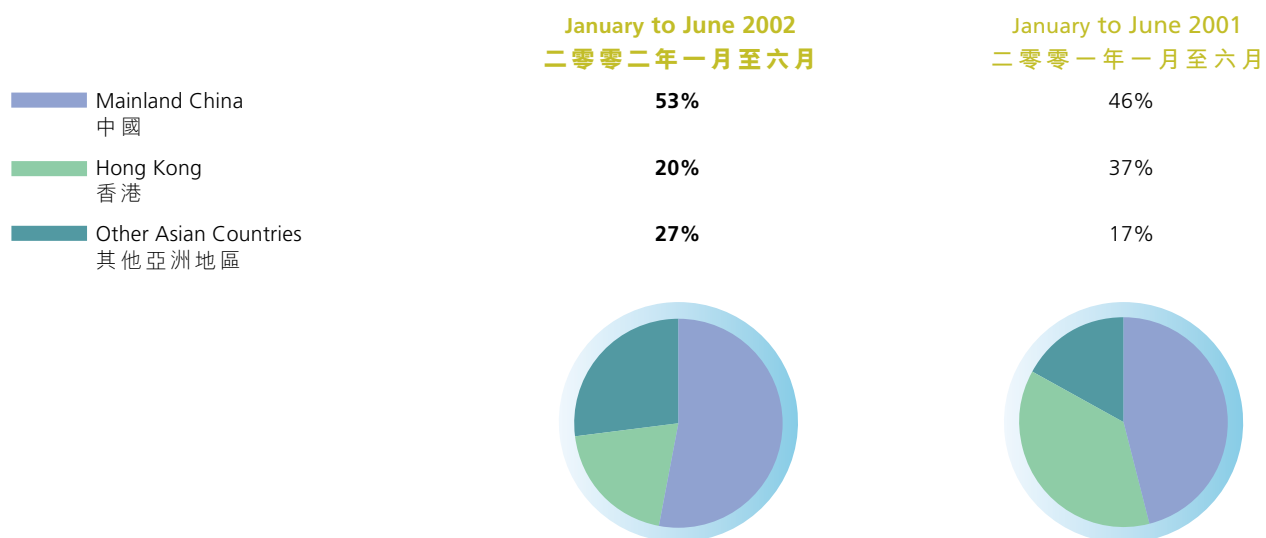
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財務摘要

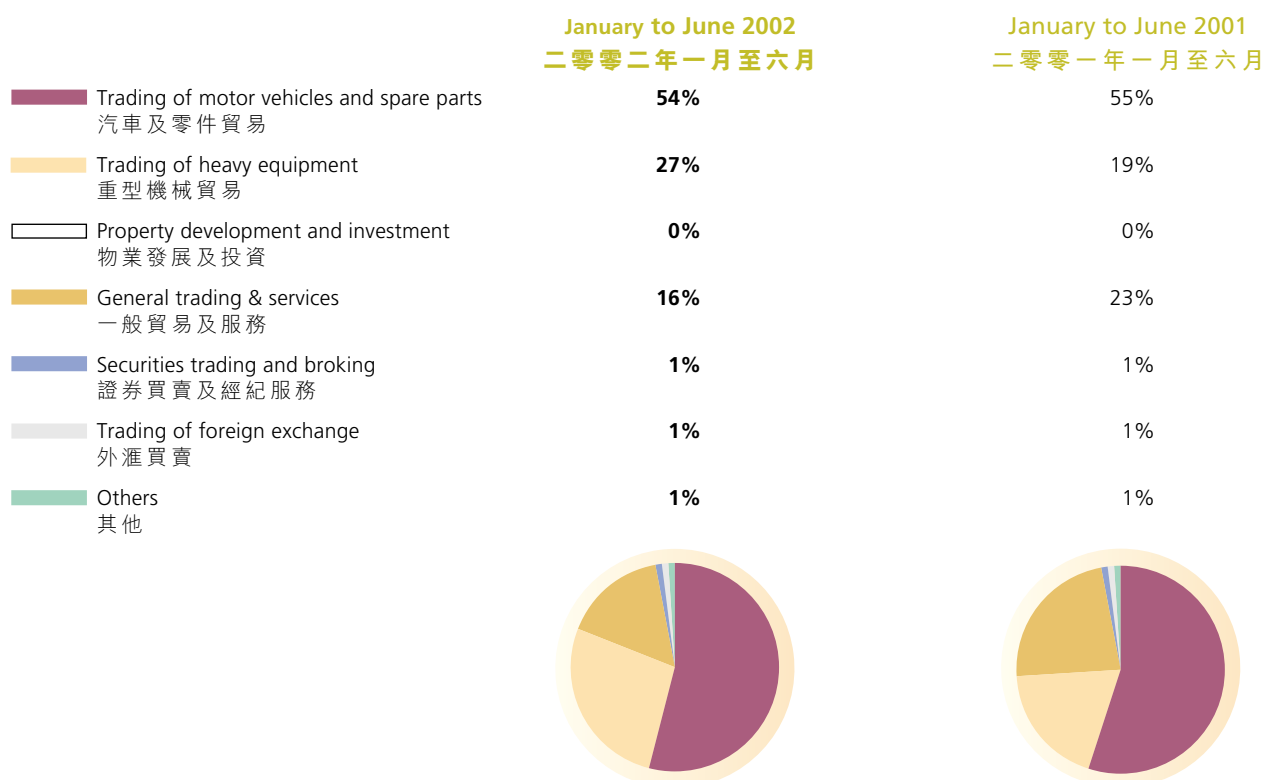
Turnover by Geographical Area

營業額之地區分析



Turnover by Principal Activities

營業額之主要業務分析



中期業績

利星行有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至二零零二年六月三十日止六個月之未經審核簡明綜合業績連同比較數字如下。此中期財務報表雖未經審核，惟已經本公司之審核委員會審閱。

簡明綜合損益賬(未經審核)

截至二零零二年六月三十日止六個月

Interim Results

The Board of Directors (the "Board") of Lei Shing Hong Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2002 together with the comparative figures as follows. These interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

Condensed Consolidated Profit and Loss Account (Unaudited)

For the six months ended 30 June 2002

(以千港元為單位)	(In HK\$ thousands)	Notes 附註	2002	2001
營業額	Turnover	2	2,715,310	2,220,820
銷售貨品及服務成本	Cost of sales and services		<u>(2,296,043)</u>	<u>(1,851,962)</u>
毛利	Gross profit		419,267	368,858
其他收入及收益	Other revenue and gains		58,871	44,018
銷售及分銷成本	Selling and distribution costs		(72,638)	(34,556)
行政開支	Administrative expenses		(147,006)	(103,834)
其他經營開支	Other operating expenses		<u>(126,165)</u>	<u>(185,325)</u>
經營溢利	Profit from operating activities	2, 3	132,329	89,161
財務費用	Finance costs	4	(38,970)	(52,430)
應佔溢利減虧損：	Share of profits less losses of:			
共同控權合資企業	A jointly-controlled entity		40,263	-
聯營公司	Associates		<u>35,742</u>	<u>102,806</u>
除稅前溢利	Profit before tax		169,364	139,537
稅項	Tax	5	<u>(51,347)</u>	<u>(48,959)</u>
未計少數股東權益前溢利	Profit before minority interests		118,017	90,578
少數股東權益	Minority interests		<u>(26,204)</u>	<u>(25,136)</u>
股東應佔溢利	Net profit from ordinary activities attributable to shareholders		<u>91,813</u>	<u>65,442</u>
每股盈利	Earnings per share			
— 基本	— Basic	6	<u>9.65仙 cents</u>	<u>6.88仙 cents</u>
— 攤薄	— Diluted	6	<u>9.19仙 cents</u>	<u>不適用 N/A</u>
股息	Dividend	7	<u>無 Nil</u>	<u>無 Nil</u>

簡明綜合權益變動報表

(未經審核)

截至二零零二年六月三十日止六個月

Condensed Consolidated Statement of Changes in Equity

(Unaudited)

For the six months ended 30 June 2002

(以千港元為單位)	(In HK\$ thousands)	Ordinary	Share	Investment		Warrant	Exchange	Retained	Total	
		share	premium	Capital	property	subscription	Reserve	fluctuation		profits
		capital	account	reserve	revaluation	reserve	funds	reserve		
		普通股	股份	資本	投資物業	認股權證	儲備	外匯	保留	
		股本	溢價賬	儲備	重估儲備	認購儲備	基金	變動儲備	溢利	
									合計	
於二零零二年一月一日	At 1 January 2002	951,165	2,459,512	12,743	2,317	91,648	16,215	(318,930)	574,709	3,789,379
滙兌調整	Exchange adjustments	-	-	-	-	-	-	122,571	-	122,571
應佔聯營公司之一般儲備	Share of general reserve of associates	-	-	-	-	-	112	-	-	112
行使認股權證	Exercise of warrants	4	9	-	-	(2)	-	-	-	11
期內溢利	Profit for the period	-	-	-	-	-	-	-	91,813	91,813
於二零零二年六月三十日	At 30 June 2002	951,169	2,459,521	12,743	2,317	91,646	16,327	(196,359)	666,522	4,003,886
於二零零一年一月一日	At 1 January 2001	951,165	2,459,512	12,743	2,317	-	11,533	(193,962)	437,493	3,680,801
滙兌調整	Exchange adjustments	-	-	-	-	-	-	(133,282)	-	(133,282)
發行認股權證	Rights issue of warrants	-	-	-	-	91,648	-	-	-	91,648
期內溢利	Profit for the period	-	-	-	-	-	-	-	65,442	65,442
於二零零一年六月三十日	At 30 June 2001	951,165	2,459,512	12,743	2,317	91,648	11,533	(327,244)	502,935	3,704,609

簡明綜合資產負債表

二零零二年六月三十日

Condensed Consolidated Balance Sheet

30 June 2002

(以千港元為單位)	(In HK\$ thousands)	Notes 附註	30 June 六月三十日 2002 (Unaudited) (未經審核)	31 December 十二月三十一日 2001 (Audited) (經審核)
非流動資產	Non-current assets			
固定資產	Fixed assets		674,446	639,943
發展中物業	Properties under development		1,724,984	1,708,551
投資物業	Investment properties		70,316	68,885
商譽	Goodwill		563,055	520,178
於共同控權合資企業之權益	Interest in a jointly-controlled entity		230,546	193,847
於聯營公司之權益	Interests in associates		1,497,275	1,421,943
無形資產	Intangible asset		2,400	2,550
長期投資	Long term investments		9,547	10,189
			4,772,569	4,566,086
流動資產	Current assets			
短期投資	Short term investments		550,540	523,671
存貨	Inventories	8	614,516	445,644
應收賬款	Trade receivables	9	317,281	312,459
應收貸款	Loans receivable		258,482	257,451
其他應收款項	Other receivables		150,006	101,677
抵押定期存款	Pledged time deposits		357,008	718,780
代證券客戶持有之現金	Cash held on behalf of securities clients		7,237	2,908
現金及現金等值項目	Cash and cash equivalents		723,808	467,163
			2,978,878	2,829,753
流動負債	Current liabilities			
應付賬款及票據	Trade and bills payables	10	188,618	284,842
應付稅項	Tax payable		43,325	43,785
其他應付賬項及應計費用	Other payables and accruals		397,460	212,847
附息銀行貸款及其他免息貸款	Interest-bearing bank borrowings and other non interest-bearing borrowing		1,878,454	1,720,182
撥備	Provisions		54,037	37,159
			2,561,894	2,298,815
流動資產淨值	Net current assets		416,984	530,938
總資產減流動負債	Total assets less current liabilities		5,189,553	5,097,024
非流動負債	Non-current liabilities			
附息銀行貸款	Interest-bearing bank borrowings		847,177	922,599
			4,342,376	4,174,425
少數股東權益	Minority interests		338,490	356,511
			4,003,886	3,817,914
股本及儲備	Capital and reserves			
已發行股本	Issued capital	11	951,169	951,165
儲備	Reserves		3,052,717	2,838,214
擬派發末期股息	Proposed final dividend		-	28,535
			4,003,886	3,817,914

簡明綜合現金流量表(未經審核)

截至二零零二年六月三十日止六個月

Condensed Consolidated Cash Flow Statement (Unaudited)

For the six months ended 30 June 2002

(以千港元為單位)	(In HK\$ thousands)	2002	2001
經營業務產生之現金流入／ (流出)淨額	Net cash inflow/(outflow) from operating activities	482,244	(59,230)
投資業務之現金流入／ (流出)淨額	Net cash inflow/(outflow) from investing activities	256,889	(26,877)
融資活動之現金(流出)／ 流入淨額	Net cash (outflow)/inflow from financing activities	(456,694)	138,744
現金及現金等值項目之增加	Increase in cash and cash equivalents	282,439	52,637
期初之現金及現金等值項目	Cash and cash equivalents at beginning of period	360,311	328,332
外幣匯率變動之淨額影響	Effect of foreign exchange rate changes, net	(5,907)	(7,734)
期終之現金及現金等值項目	Cash and cash equivalents at end of period	636,843	373,235
現金及現金等值項目 結餘之分析	Analysis of balances of cash and cash equivalents		
現金及銀行結餘	Cash and bank balances	301,638	200,038
無抵押定期存款	Unpledged time deposits	422,170	173,197
銀行透支	Bank overdrafts	(86,965)	–
		636,843	373,235

簡明綜合財務報表附註

1. 編製基準及會計政策

此未經審核之簡明綜合中期財務報表乃根據香港會計師公會頒佈的香港會計實務準則（「會計實務準則」）第25條「中期財務報告」而編製。

編製此簡明中期財務報表所採用之會計政策及編製基準，除下文披露者外，與本集團截至二零零一年十二月三十一日止年度經審核財務報表所採用之會計政策及編製基準相符一致。

以下新近頒佈及經修訂之會計實務準則乃首次用以編製本期簡明綜合財務報表：

- 會計實務準則第1條（修訂本）：
財務報表之呈列
- 會計實務準則第11條（修訂本）：
外幣換算
- 會計實務準則第15條（修訂本）：
現金流量表
- 會計實務準則第33條：
終止經營業務
- 會計實務準則第34條：
僱員福利

以上各項之主要影響概述如下：

- (a) 會計實務準則第1條（修訂本）訂明財務報表之呈列基準及載有對財務報表之結構及內容最低要求之指引。此會計實務準則之主要修訂為將要求呈列之確認損益報表更改為權益變動報表。本中期簡明綜合權益變動報表及比較數字已根據此會計實務準則（修訂本）呈列。

Notes to Condensed Consolidated Financial Statements

1. Basis of Preparation and Accounting Policies

The unaudited condensed consolidated interim financial statements 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 basis of preparation used in the preparation of these condensed interim financial statements are the same as those used in the audited financial statements for the year ended 31 December 2001 except that disclosed below.

The following recently issued and revised SSAPs are effective 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 33:
Discontinuing operations
- SSAP 34:
Employee benefits

A summary of their major effects is as follows:

- (a) 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 recognised 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.

簡明綜合財務報表附註

1. 編製基準及會計政策 (續)

- (b) 會計實務準則第11條(修訂本)訂明外幣交易及財務報表之換算基準。此會計實務準則(修訂本)對簡明綜合財務報表之主要影響為以外幣為經營貨幣之附屬公司、共同控權合資企業及聯營公司之損益賬於綜合時以期內之平均匯率換算，而非如先前以結算日適用之兌換率換算。此會計實務準則(修訂本)須追溯應用。惟本集團已採納此會計實務準則(修訂本)之過渡條文，倘計算往年調整並不可行時，此等政策上之變動僅應用於本期及將來之財務報表，而有關變動對本期之業績並沒有重大影響。
- (c) 會計實務準則第15條(修訂本)訂明現金流量表需將期內現金流量分類為經營、投資及融資活動，以提供有關現金及現金等值項目過往變動之資料。本中期簡明綜合現金流量表及比較數字已根據會計實務準則(修訂本)呈列。
- (d) 會計實務準則第33條訂明有關將終止或已終止業務資料之報告基準。此會計實務準則對本簡明綜合財務報表並沒有影響。
- (e) 會計實務準則第34條訂明僱員福利之會計處理及披露方式。此會計實務準則對本簡明綜合財務報表並沒有重大影響。

Notes to Condensed Consolidated Financial Statements

1. Basis of Preparation and Accounting Policies (continued)

- (b) 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 accounts of foreign subsidiaries, jointly-controlled entity and associates 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 adopted. This revised SSAP is required to be applied retrospectively. The Group has adopted the transitional provision of this revised 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.
- (c) 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.
- (d) SSAP 33 prescribes the basis for reporting information about discontinuing/discontinued operations. This SSAP has no impact on these condensed consolidated financial statements.
- (e) SSAP 34 prescribes the accounting treatment and disclosures for employee benefits. This SSAP has had no major impact on these condensed consolidated financial statements.

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

2. 分類資料

本集團營業額及經營溢利按主要業務及營業地區截至二零零二年六月三十日止六個月及比較數字之分析如下：

2. Segment Information

An analysis of the Group's turnover and contribution to profit from operating activities by principal activity and geographical area of operations for the six months ended 30 June 2002 is as follows:

截至二零零二年六月三十日止六個月 (以千港元為單位)	For the six months ended 30 June 2002 (In HK\$ thousands)	Turnover 營業額		Contribution to profit from operating activities 對經營溢利之貢獻	
		2002	2001	2002	2001
按主要業務：	By principal activity:				
汽車及零件貿易	Trading of motor vehicles and spare parts	1,454,171	1,225,547	84,543	104,084
重型機械貿易	Trading of heavy equipment	754,771	413,638	39,170	23,475
物業發展及投資	Property development and investment	–	394	(55,962)	(3,927)
一般貿易及服務	General trading and services	1,527,340	821,512	23,213	31,071
證券買賣及經紀服務	Securities trading and broking	14,390	38,425	34,542	(95,376)
外幣滙兌買賣	Trading of foreign exchange	29,525	25,594	10,506	34,843
其他	Others	11,753	14,942	3,428	(5,001)
		3,791,950	2,540,052	139,440	89,169
分類撇銷	Intersegment eliminations	(1,076,640)	(319,232)	(7,111)	(8)
		2,715,310	2,220,820	132,329	89,161
按營業地區：	By geographical area of operations:				
中華人民共和國：	People's Republic of China:				
香港	Hong Kong	540,628	821,583	35,124	31,397
中國	Mainland China	1,432,314	1,022,245	(10,322)	78,717
其他亞洲國家	Other Asian countries	742,368	376,992	107,527	(20,953)
		2,715,310	2,220,820	132,329	89,161

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

3. 經營溢利

3. Profit from Operating Activities

本集團經營溢利經扣除／(計入)：

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

截至二零零二年六月三十日止六個月 (以千港元為單位)	For the six months ended 30 June 2002 (In HK\$ thousands)	2002	2001
折舊	Depreciation	19,286	18,371
商譽攤銷	Amortisation of goodwill	21,562	20,254
交易權攤銷	Amortisation of trading rights	150	150
呆壞賬撥備	Provision for doubtful debts	4,353	173
發展中物業可預見虧損撥備	Provision for foreseeable losses on properties under development	52,721	–
銷售緩慢存貨撥備	Provision for slow-moving inventories	217	27
對短期投資重估之未變現 (收益)／虧損	Unrealised (gains)/losses on revaluation of short term investments	(27,064)	127,728
上市證券之股息收入	Dividend income from listed investments	(950)	(20,128)
租金收入淨額	Rental income, net	(6,346)	(5,140)
利息收入	Interest income	(22,062)	(25,294)
上市證券買賣之淨收益	Net gains on dealing in listed investments	(11,133)	(14,912)

4. 財務費用

4. Finance Costs

截至二零零二年六月三十日止六個月 (以千港元為單位)	For the six months ended 30 June 2002 (In HK\$ thousands)	2002	2001
須於五年內悉數歸還 之貸款利息：	Interest on borrowings wholly repayable within five years:		
銀行貸款	Bank loans	22,776	28,258
信託票據貸款	Trust receipt loans	15,762	22,208
銀行透支	Bank overdrafts	3,657	1,964
		42,195	52,430
減：利息資本化	Less: Interest capitalised	(3,225)	–
		38,970	52,430

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

5. 稅項

香港利得稅按期內在在香港產生之估計應課稅溢利以16% (二零零一年：16%) 之稅率計提撥備。其他地區應課稅溢利之稅項根據本集團經營業務所在國家之現行法律、詮釋及常規，按其現行稅率計算。

5. Tax

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 have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

截至二零零二年六月三十日止六個月
(以千港元為單位)

For the six months ended 30 June 2002
(In HK\$ thousands)

		2002	2001
本集團：	Group:		
香港	Hong Kong	406	5,622
其他地區	Elsewhere	34,481	18,419
以往年度之超額撥備	Over provision in prior years	–	(53)
		<u>34,887</u>	<u>23,988</u>
應佔聯營公司稅項：	Share of tax attributable to associates:		
香港	Hong Kong	65	66
其他地區	Elsewhere	6,715	24,905
		<u>6,780</u>	<u>24,971</u>
應佔共同控權合資企業稅項：	Share of tax attributable to a jointly-controlled entity:		
其他地區	Elsewhere	9,680	–
期內稅項支出	Tax charge for the period	<u>51,347</u>	<u>48,959</u>

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

6. 每股盈利

6. Earnings Per Share

截至二零零二年六月三十日止六個月之每股基本及攤薄盈利乃根據以下數據計算：

The calculations of basic and diluted earnings per share for the six months ended 30 June 2002 are based on the following data:

截至二零零二年六月三十日止六個月
(以千港元為單位)

For the six months ended 30 June 2002
(In HK\$ thousands)

盈利
用作計算每股基本及攤薄盈利
之本期股東應佔溢利

Earnings
Net profit attributable to shareholders
for the period for the purpose
of basic and diluted earnings
per share calculations

2002

2001

六月三十日
(股份數目)

30 June
(Number of shares)

2002

2001

股份
用作計算每股基本盈利之本期
已發行普通股加權平均股數

Shares
Weighted average number of
ordinary shares in issue during
the period used in basic earnings
per share calculation

951,168,546

951,165,000

普通股加權平均股數：

Weighted average number of
ordinary shares:

設定期內無代價發行所有
未被行使的認股權證

Assumed issued at no
consideration on deemed
exercise of all warrants
outstanding during the period

48,075,479

–

用作計算每股攤薄盈利的
普通股加權平均股數

Weighted average number of
ordinary shares used in diluted
earnings per share calculation

999,244,025

N/A

截至二零零一年六月三十日止期間內，由於本公司尚未行使之購股權及認股權證行使價高於普通股之平均市場價格，因此並無計算每股攤薄盈利。

The diluted earnings per share for the period ended 30 June 2001 had not been calculated as the exercise prices of the Company's outstanding share options and warrants were higher than the average market price of the ordinary shares for the period.

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

7. 股息

於二零零二年九月十八日召開之董事會會議上，董事建議不派發截至二零零二年六月三十日止六個月之中期股息(二零零一年：無)。

7. Dividend

At a meeting of the Board of Directors held on 18 September 2002, the directors do not recommend the payment of an interim dividend for the six months ended 30 June 2002 (2001: Nil).

8. 存貨

8. Inventories

(以千港元為單位)	(In HK\$ thousands)	30 June 六月三十日 2002	31 December 十二月三十一日 2001
汽車及零件	Motor vehicles and spare parts	582,990	410,068
機械及零件	Machinery and spare parts	31,526	35,576
		<u>614,516</u>	<u>445,644</u>

9. 應收賬款

本集團給予大部份客戶三十至六十日信貸期，而基於不同的業務形式，小部份客戶獲給予九十至一百五十日信貸期。本集團嚴格監控其未收之應收賬款，除設有信貸控制，高層管理人員定期檢討過期未付之賬項，務求減低信貸風險。

9. Trade Receivables

The Group has granted credit to substantially all its debtors ranging from 30-60 days. Due to certain trade patterns, a minority of debtors have been given a credit period of 90-150 days. The Group seeks to maintain strict control over its outstanding receivables and has credit control to minimise credit risk. Overdue balances are reviewed regularly by senior management.

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

9. 應收賬款(續)

9. Trade Receivables (continued)

根據到期付款日之應收賬款賬齡扣除呆壞賬撥備之分析如下：

The aged analysis of trade receivables, based on payment due date, net of provision for doubtful debts, was as follows:

(以千港元為單位)	(In HK\$ thousands)	30 June 六月三十日 2002	31 December 十二月三十一日 2001
未到期	Current	178,395	187,683
零至三個月	0 – 3 months	95,948	100,997
四至六個月	4 – 6 months	28,061	16,501
七至十二個月	7 – 12 months	6,267	5,289
逾一年	Over 1 year	8,610	1,989
		<u>317,281</u>	<u>312,459</u>

10. 應付賬款及票據

10. Trade and Bills Payables

根據到期付款日之應付賬款及票據之賬齡分析如下：

The aged analysis of trade and bills payables, based on payment due date, was as follows:

(以千港元為單位)	(In HK\$ thousands)	30 June 六月三十日 2002	31 December 十二月三十一日 2001
未到期	Current	165,266	284,842
零至三個月	0 – 3 months	21,265	–
四至六個月	4 – 6 months	2,054	–
七至十二個月	7 – 12 months	9	–
逾一年	Over 1 year	24	–
		<u>188,618</u>	<u>284,842</u>

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

11. 已發行股本

11. Issued Capital

(以千港元為單位)	(In HK\$ thousands)	30 June 六月三十日 2002	31 December 十二月三十一日 2001
法定股本： 2,000,000,000股每股 面值1港元普通股	Authorised: 2,000,000,000 ordinary shares of HK\$1 each	<u>2,000,000</u>	<u>2,000,000</u>
已發行及繳足股份： 951,168,826股 (二零零一年：951,165,000股) 每股面值1港元普通股	Issued and fully paid: 951,168,826 (2001: 951,165,000) ordinary shares of HK\$1 each	<u>951,169</u>	<u>951,165</u>

期內本公司已發行股本之變動概要如下：

A summary of the movements in the issued share capital of the Company during the period is as follows:

		Number of shares in issue 已發行 股份數目	Issued and fully paid 已發行及 繳足股份 HK\$'000 千港元
於二零零二年一月一日	At 1 January 2002	951,165,000	951,165
行使認股權證而發行之股份	Shares issued on exercise of warrants	3,826	4
於二零零二年六月三十日	At 30 June 2002	<u>951,168,826</u>	<u>951,169</u>

12. 或然負債

12. Contingent Liabilities

於二零零二年六月三十日，本集團附有追索權之貼現票據及作出銀行擔保以代替支付按金之或然負債分別為1億2千5百萬港元（二零零一年十二月三十一日：1億2千4百萬港元）及9百萬港元（二零零一年十二月三十一日：1千4百萬港元）。

At 30 June 2002, the Group had contingent liabilities in respect of bills discounted with recourse and bank guarantees given in lieu of deposit payments, amounting to HK\$125 million (31 December 2001: HK\$124 million) and HK\$9 million (31 December 2001: HK\$14 million), respectively.

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

13. 抵押資產

於二零零二年六月三十日，本集團之短期銀行貸款為2億3千2百萬港元(二零零一年十二月三十一日：5億6千1百萬港元)，以銀行外幣存款3億2千8百萬港元(二零零一年十二月三十一日：6億9千3百萬港元)作為抵押。此外，約2千9百萬港元(二零零一年十二月三十一日：2千6百萬港元)的抵押定期存款，作為保證獨立第三者之銀行可備用信貸。本集團持有一幅價值1千1百萬港元之土地已用作抵押為數7百萬港元(二零零一年十二月三十一日：無)之銀行貸款。

14. 承擔

(a) 資本承擔

於二零零二年六月三十日，本集團有為數7億4千7百萬港元(二零零一年十二月三十一日：7億4千6百萬港元)已訂約但尚未於財務報表內作出撥備之資本承擔。

(b) 其他承擔

13. Pledge of Assets

At 30 June 2002, the Group's short term bank loans amounting to HK\$232 million (31 December 2001: HK\$561 million) were secured by fixed charges on foreign currency bank deposits of HK\$328 million (31 December 2001: HK\$693 million). In addition, time deposits of approximately HK\$29 million (31 December 2001: HK\$26 million) were pledged to secure banking facilities granted to independent third parties. A piece of land of HK\$11 million held by the Group was pledged to secure a bank borrowing of HK\$7 million (31 December 2001: Nil).

14. Commitments

(a) Capital commitments

At 30 June 2002, the Group had capital commitments, which had been contracted for but not been provided for in the financial statements, amounting to HK\$747 million (31 December 2001: HK\$746 million).

(b) Other commitments

		30 June 六月三十日	31 December 十二月三十一日
(以千港元為單位)	(In HK\$ thousands)	2002	2001
遠期外匯合約	Foreign exchange forward contracts	526,222	485,770

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

15. 經營租約之安排

15. Operating Lease Arrangements

(a) 作為租賃公司

(a) As lessor

本集團根據經營租約把其投資物業出租，租約期為一至五年，租約條款一般包括租戶須繳交按金，並基於市場情況，可定期調整租金。

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from 1 to 5 years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

於結算日，根據與租戶訂立之不可撤銷經營租約，本集團未來最少應收之租金如下：

At the balance sheet date, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

(以千港元為單位)	(In HK\$ thousands)	30 June 六月三十日 2002	31 December 十二月三十一日 2001
一年內	Within one year	6,757	7,870
第二至第五年(包括首尾兩年)	In the second to fifth years, inclusive	9,111	4,808
		15,868	12,678

(b) 作為承租公司

(b) As lessee

本集團部份辦公室物業是以經營租約租用，租約期為一至五年。

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

於結算日，根據不可撤銷之經營租約，本集團未來最少須付之租金如下：

At the balance sheet date, the Group had total future minimum payments under non-cancellable operating leases falling due as follows:

(以千港元為單位)	(In HK\$ thousands)	30 June 六月三十日 2002	31 December 十二月三十一日 2001
一年內	Within one year	10,373	12,215
第二至第五年(包括首尾兩年)	In the second to fifth years, inclusive	3,458	4,923
		13,831	17,138

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

16. 關連人仕交易

16. Related Party Transactions

期內本集團有以下與關連人仕之交易：

During the period, the Group had the following transactions with related parties:

截至二零零二年六月三十日止六個月
(以千港元為單位)

For the six months ended 30 June 2002
(In HK\$ thousands)

利息收入

Interest income

2002

2001

601

964

本集團一間提供金融服務之全資附屬公司，按一般正常之商業條件，提供貸款予一位董事之關連人仕。於二零零二年六月三十日，關連人仕尚欠本集團2千5百萬港元(二零零一年十二月三十一日：2千5百萬港元)。

A wholly owned subsidiary of the Group which is involved in financial services business provided advances to related parties of a director of the Company in the ordinary and normal course of business of that subsidiary on commercial terms. At 30 June 2002, the amounts due from related parties amounted to HK\$25 million (31 December 2001: HK\$25 million).

業務回顧

汽車部

汽車部營業額較去年同期增加19%。儘管中國首季經濟增長強勁，業績理想，但車輛銷售額則下降。我們的業務受到影響之原因：首先是進口許可證不及去年同期般容易獲得；其次是因懷疑機械出毛病而暫時禁止平治MB100及MB140小客車進口，令銷售額進一步減少。暫時禁止進口情況可望於本季解除，我們預計MB100及MB140小客車銷售額將會穩步上揚。銷售額亦因歐羅表現較美元強而受到輕微的影響。零件銷售及維修中心表現較去年有所改善，原因是平治汽車整體數量均見增長及我們的維修中心維修車輛數量提高。零件銷售競爭來自原廠配件加工供應商及灰色市場進口商。然而我們深信，我們經驗熟練的員工能提供精明顧客所期望之效率及服務水平。預期車輛銷售額會於本年度下半年保持穩定。

相反，韓國業務表現良好。於二零零二年上半年度，韓國經濟一直持續向好，錄得6.2%增長，於亞洲區內，表現僅次於中國。銷售業績較預期出色，反映韓國消費信心回升及市場推廣與宣傳活動取得成效。我們預期於下半年度市場繼續表現良好。

整體而言，二零零二年被視為台灣經濟復蘇一年。上年度，經濟已經歷下調，預期本年度經濟增長可達2.5%。隨着台灣加入世貿，進口市場將有所增長，惟整體市場總值則受到影響。我們的業務均取得預期業績，並預料下半年度將可再錄得上半年佳績。

Operational Review

Automobile Division

Turnover of Automobile Division increased by 19% compared with the corresponding period last year. In China, despite the strong economic growth and the promising results during the first quarter, sales of vehicles were down. Our business was affected firstly by import permits, which were less readily available compared to the same period last year; secondly, sales were further dampened by the temporary ban on imports of the Mercedes-Benz MB100 and MB140 vans due to suspected mechanical flaws. This temporary ban is expected to be lifted in this quarter, after which we expect sales of the MB100 and MB140 vans to steadily increase. To a lesser extent, sales were also affected by the Euro's stronger performance against the US Dollar. Parts sales and workshop performance continue to improve over the last year, as a result of both the overall growing Mercedes-Benz car population and the higher throughput of vehicles in our workshops. Competition in parts sales comes from OEM suppliers and grey market importers. However, we are confident that our highly-skilled staff are able to provide the level of efficiency and service expected by our discerning customers. Sales of vehicles are expected to remain steady in the second half of this year.

In contrast, our business in Korea has performed well. Korea's economy has continued to be buoyant, registering 6.2% growth in the first half of 2002 and performing in the region second only to China. Our sales results were better than expected, a reflection of growing consumer confidence in Korea and the impact of the marketing and promotional activities. We expect the market to continue to be positive in the second half of the year.

2002 has generally been viewed as a year of economic recovery for Taiwan. After last year's downturn, the nation is expected to achieve economic growth of 2.5% this year. With Taiwan's entry into WTO, the import market is expected to grow at the expense of the overall total market. Our results were on target across all operations and we expect a repeat of the first-half performance in the latter half of the year.

機械部

本年度上半年，機械部業務營業額增幅達82%。

期內，鑑於中國政府持續投資於基建項目，卡特彼勒產品銷售額表現異常理想。基於市場上各行各業需求強勁，建造設備銷售數量為去年同期兩倍以上，發動機及發電機銷售數量亦超出去年同期數量。

由於集團採取積極的方法推廣增加卡特彼勒機械及發動機及機械之銷售數量，零件及服務銷售額因此亦俱見上升。

新成立的分公司設於金華市、南陽市及合肥市。

地產部

本年度上半年，北京及上海地產市場仍相對蓬勃，但快將推出供應市場之新地產住宅項目可能會影響市場表現。於二零零二年上半年度，本集團於北京之住宅發展項目寶星園第一期，銷售放緩。寶星園第一期興建工程進展良好，而我們抱著審慎樂觀態度，認為消費信心將會於二零零三年初項目落成時恢復過來，銷售額亦將回升。

貿易部

我們的貿易部（不包括本集團間之貿易）營業額較去年同期下降10%。

Machinery Division

During the first half of the year, turnover of our Machinery Division increased by 82%, in value terms.

The sales of Caterpillar products performed exceptionally well during this period, due to the Chinese government's continued investment in infrastructure projects. Deliveries of construction-equipment units more than doubled compared to the same period last year, while those of engines and power-generating units also surpassed the volume reported in the same period last year, with strong demand from all market sectors.

Parts and service sales volumes also increased, as a result of both our more aggressive approach to marketing and the expanding population of Caterpillar machines and engines.

New branch offices were opened in Jinhua, Nanyang and Hefei cities.

Property Division

The property markets in Beijing and Shanghai remained relatively robust in the first half of this year, although new property supplies coming on stream threaten to dampen the markets' performance. As a result of this, the sales of our residential development of Phase 1 Starcrest in Beijing slowed in the first half of 2002. The construction is progressing well and we are cautiously optimistic that consumer confidence will return and sales pick up upon completion of the project in early 2003.

Trading Division

Our Trading Division, excluding its trading within the Group reported a 10% decline in turnover compared to the same period last year.

在無任何指標顯示亞洲經濟復蘇及受到美國公司醜聞衝擊，市場情況更為惡劣。除中國、韓國及泰國外，亞洲國家於二零零二年首六個月國內生產總值均見下降。期內，貿易部的營業額及毛利亦告下跌。由於眾多國際市場之潛在弱勢，故二零零二年下半年度貿易情況料將仍然呆滯。

金融服務部

截至二零零二年六月止半年，全球金融市場表現反覆。華爾街公司監管醜聞全面曝光後，年初市場復蘇情況已不復見。儘管如此，我們的金融服務部仍取得約4千5百萬港元純利（包括2千7百萬港元對短期投資重估之未變現收益），而二零零一年同期則錄得約6千1百萬港元之虧損淨額（包括1億2千8百萬港元對短期投資重估之未變現虧損）。

雖然外匯買賣的營業額表現持續向好，但因股票市場反覆，我們的股份買賣業務表現疲弱。於近期內提升經紀及融資業務交收系統功能藉以改善服務及加強競爭力。保險業務持續為金融服務部帶來穩定收入。

市場消極氣氛料會於二零零二年下半年度持續，至少直至大眾對公司監管及會計風波關注程度減退為止。我們將繼續就所有業務的決定採取審慎態度。

The market has still not seen clear indication of an economic recovery in Asia, a situation that has been aggravated by corporate scandals in the U.S. With the exception of China, Korea and Thailand, the GDP of Asian countries fell in the first six months of 2002. Volumes and margins in our trading operations declined during this period. Due to latent weakness in many international markets, we expect trading conditions to remain sluggish in the second half of 2002.

Financial Services Division

For the half-year ended June 2002, performance of global financial markets was erratic. The market rally earlier this year ran out of steam when the full scale of the Wall Street corporate governance scandals became known. Against this background, our Financial Services Division achieved a net profit of approximately HK\$45 million (including unrealised gains of HK\$27 million for revaluation of short term investments), compared to an approximately HK\$61 million net loss (including unrealised losses of HK\$128 million for revaluation of short term investments) in the corresponding period of 2001.

While turnover from foreign exchange trading continues to perform well, our share-trading activities weakened due to instability in the equity markets. The settlement system in our brokerage/financing businesses has recently been upgraded to improve service and increase competitiveness. Our insurance business has continued to contribute steady income to the Division.

Negative market sentiment is expected to persist in the second half of 2002, at least until concerns over corporate governance and accounting issues have subsided. We will continue to adopt a conservative approach towards all of our business decisions.

財務回顧

流動資金及財政資源

於二零零二年六月三十日，本集團股東權益約為40億港元。本集團的營運現金收入及充裕銀行信貸，足以應付持續業務拓展及營運，包括二零零二年度資本支出。

本集團償還貸款如下：

一年內	2億8千9百萬港元
第二年	3億5千3百萬港元
第三至第五年	4億9千4百萬港元

負債

本集團負債比率(長期債項對比股本)為21%，而二零零一年十二月三十一日則為24%。截至二零零二年六月三十日止六個月，經營溢利為財務費用的3.4倍，而二零零一年十二月三十一日止年度則為2.9倍。

利率及外匯風險

本集團資金運用反映每項業務之資本架構，並由財務部集中監控。本集團在國際及本地銀行的借貸獲優惠息率。在有需要之情況下，本集團會使用外匯買賣以對沖匯率之風險。

Financial Review

Liquidity and Financial Resources

As at 30 June 2002, shareholders' funds of the Group were approximately HK\$4,004 million. The Group has a positive cash flow from operations and sufficient bank facilities to fund its ongoing businesses, including capital expenditure in Year 2002.

The maturity of the Group's term loans is:

Within one year	HK\$289 million
Within 1-2 year	HK\$353 million
Within 3-5 years	HK\$494 million

Gearing

The Group has a gearing ratio (long term debt to equity) of 21%, compared to 24% as at 31 December 2001. Profit from operating activities covers 3.4 times over finance costs for the current interim period ended 30 June 2002, compared to 2.9 times for the year ended 31 December 2001.

Interest Rates and Foreign Currency Exposure

The Group's funding reflects the capital structure of each business and is monitored by a Central Treasury function. The Group's borrowings are at competitive interest rates from both international and local banks. Where appropriate, the Group's exposure to foreign currencies is hedged to minimise the risks of currency movements.

業務展望

展望未來，汽車部業務仍屬本集團在各範疇中主要增長一環，這種趨勢預計在本年其餘時間仍會持續。

預期機械部業務在本年下半年將續見提升，惟第三季銷售量可能出現季節性放緩，儘管如此，整體業績仍可望向好。

地產部業務在更積極推廣宣傳推動下，未來數月業績應有改善。貿易部及金融服務部業務預期依循今年上半年類似走勢而發展。

隨着拓展網絡及提升服務，預計我們的核心業務可望繼續增長。

僱員政策

本集團僱員政策採納所在行業及國家之最佳標準，以吸納、推動及保留優秀員工。同時，更定期按各國不同行業情況衡量本集團薪酬及獎勵計劃，以確保本集團的薪酬政策與本身經營所在地的市場一致。

董事委任

本公司董事會欣然宣佈，林宜穎女士於二零零二年四月十八日獲委任為本公司執行董事及財務董事。

Prospects

Looking ahead, the Automobile business in all our territories remains the key growth area for the Group and this trend is expected to continue for the rest of the year.

The Machinery business is forecast to enjoy further positive growth in the second half of the year. There is likely to be, however, a seasonal slowdown of sales in the third quarter, but overall results will remain positive.

The Property business should show signs of improvement in the coming months, largely as a result of more vigorous promotional activities and the Trading and Financial Services businesses are expected to follow similar trends as in the first half of the year.

We therefore expect to see continued growth in our core businesses as we expand our network and upgrade our services.

Employment Policy

The Group's remuneration policy applies best industry/country standards to attract, motivate and keep a quality work force. We constantly measure our remuneration and reward scheme within and across industries in various countries to ensure that the Group's remuneration policy is in line with the industries and markets in which we operate.

Appointment of Director

The Board of the Company is pleased to announce that Ms Marianne Lim Mooi Ying has been appointed as an Executive Director and Finance Director of the Company with effect from 18 April 2002.

董事辭任

本公司董事會宣佈，劉楚樂先生及劉國基先生同於二零零二年七月九日辭任本公司執行董事。對於兩人在任內對本公司作出之寶貴貢獻，謹此致謝。

董事於股份及認股權證權益

於二零零二年六月三十日，根據《證券(披露權益)條例》(「披露權益條例」)第29條而保存之登記冊所載，各董事及其聯繫人仕於本公司或其聯繫公司之普通股及認股權證權益如下：

股本

Resignation of Directors

The Board of the Company announces that Mr Lau Chor Lok and Mr Lau Kwok Kee have resigned as Executive Directors of the Company with effect from 9 July 2002. The Board of the Company would like to thank Mr Lau Chor Lok and Mr Lau Kwok Kee and express its appreciation for their valuable contributions to the Company.

Directors' Interests in Shares and Warrants

At 30 June 2002, the interests of the directors and their associates in the ordinary shares and warrants 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:

Share capital

董事名稱	Name of Directors	Number of ordinary shares of HK\$1 each held			Total 總數
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	
林宜穎 (附註1)	Lim Mooi Ying, Marianne (Note 1)	–	–	60,000	60,000
劉楚樂 (附註2及5)	Lau Chor Lok (Notes 2 & 5)	30,262	1,812	37,832,865	37,864,939

認股權證

Warrants

董事名稱	Name of Directors	Number of warrants held			Total 總數
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	
林宜穎 (附註3)	Lim Mooi Ying, Marianne (Note 3)	–	–	12,000	12,000
劉楚樂 (附註4及5)	Lau Chor Lok (Notes 4 & 5)	–	–	7,566,572	7,566,572

附註：

Notes:

- Westwood Management Limited持有本公司60,000股普通股，而林宜穎女士為該公司之控股股東。
- The interests in 60,000 ordinary shares are held through Westwood Management Limited, of which Ms Lim Mooi Ying, Marianne is a controlling shareholder.
- Pacific City Investments Limited及 Beauty Year Limited持有本公司37,832,865股普通股，而劉楚樂先生為該兩家公司之控股股東。
- The interests in 37,832,865 ordinary shares are held through Pacific City Investments Limited and Beauty Year Limited, of which Mr Lau Chor Lok is a controlling shareholder.
- Westwood Management Limited持有本公司12,000份認股權證，而林宜穎女士為該公司之控股股東。
- The interests in 12,000 warrants are held through Westwood Management Limited, of which Ms Lim Mooi Ying, Marianne is a controlling shareholder.
- Pacific City Investments Limited及 Beauty Year Limited持有本公司7,566,572份認股權證，而劉楚樂先生為該兩家公司之控股股東。
- The interests in 7,566,572 warrants are held through Pacific City Investments Limited and Beauty Year Limited, of which Mr Lau Chor Lok is a controlling shareholder.
- 劉楚樂先生於二零零二年七月九日辭任本公司董事。
- With effect from 9 July 2002, Mr Lau Chor Lok resigned as a director of the Company.

董事及僱員認購股份或債券之權利

本公司授予若干董事及僱員購股權以認購本公司普通股。授予購股權之詳情及於截至二零零二年六月三十日止六個月尚未行使之購股權變動如下：

Directors' and Employees' Rights to Acquire Shares or Debentures

The Company has granted certain directors and employees of the Company's options to subscribe for ordinary shares of the Company. Details of the grant of share options and a summary of the movements of the outstanding share options during the six months ended 30 June 2002 are set out below:

Name or category of participant 參予者 姓名或類別	Number of share options 購股權數目				Date of grant of share options 授出購股權日期	Exercisable period of share options 購股權行使年期	Exercise price of share options 購股權行使價 HK\$ 港元	Price of Company's shares at grant date of options 公司之股價 授出日 HK\$ 港元	
	At 1 January 2002 二零零二年一月一日	Re-classification 重新分類	Lapsed during the period 期內逾期失效	At 30 June 2002 二零零二年六月三十日					
董事	Directors								
顏健生	Gan Khian Seng	500,000	-	-	500,000	2-8-1997	1-9-1999 to 31-8-2007	5.89	7.75
		200,000	-	-	200,000	24-1-1998	31-1-2000 to 30-1-2008	6.00	7.45
楊富山太平紳士	Yong Foo San JP	500,000	-	-	500,000	2-8-1997	21-8-1999 to 20-8-2007	5.89	7.75
		200,000	-	-	200,000	24-1-1998	27-1-2000 to 26-1-2008	6.00	7.45
韓福客	Harms Volker	500,000	-	-	500,000	2-8-1997	2-8-1999 to 1-8-2007	5.89	7.75
	Josef Eckehard	200,000	-	-	200,000	24-1-1998	24-1-2000 to 23-1-2008	6.00	7.45
林宜穎 (於二零零二年四月十八日獲委任)	Lim Mooi Ying, Marianne (appointed on 18 April 2002)	-	500,000	-	500,000	2-8-1997	2-8-1999 to 1-8-2007	5.89	7.75
		-	200,000	-	200,000	24-1-1998	27-1-2000 to 26-1-2008	6.00	7.45
劉楚榮 (附註1)	Lau Chor Lok (Note 1)	500,000	-	-	500,000	2-8-1997	29-8-1999 to 28-8-2007	5.89	7.75
		200,000	-	-	200,000	24-1-1998	23-2-2000 to 22-2-2008	6.00	7.45
劉國基 (附註1)	Lau Kwok Kee (Note 1)	500,000	-	-	500,000	2-8-1997	19-8-1999 to 18-8-2007	5.89	7.75
		200,000	-	-	200,000	24-1-1998	27-1-2000 to 26-1-2008	6.00	7.45
		3,500,000	700,000	-	4,200,000				
連續合約僱員	Continuous contract employees								
總額	In aggregate	3,175,000	(500,000)	-	2,675,000	2-8-1997	(Note 2) (附註2)	5.89	7.75
		2,306,000	(200,000)	(50,000)	2,056,000	24-1-1998	(Note 2) (附註2)	6.00	7.45
		5,481,000	(700,000)	(50,000)	4,731,000				
		8,981,000	-	(50,000)	8,931,000				

附註：

1. 劉楚樂先生及劉國基先生於二零零二年七月九日辭任本公司董事。
2. 授出之購股權可由持有人按該計劃條款，於授出並視為接納日的第二週年起計八年內隨時行使。

除本文所披露者外，根據披露權益條例第29條規定，本公司須予保存之董事權益登記冊所載，於二零零二年六月三十日，各董事或其任何聯繫人仕概無實益擁有本公司或其聯繫公司之普通股權益，亦未獲授予任何認購本公司股本或債務證券之權利。

主要股東權益

於二零零二年六月三十日，遵照披露權益條例第16(1)條而保存之登記冊所載，下列股東擁有本公司已發行普通股10%或以上之權益：

Notes:

1. With effect from 9 July 2002, Mr Lau Chor Lok and Mr Lau Kwok Kee resigned as directors of the Company.
2. The granted share options may be exercised at any time during the period of eight years from the second anniversary of the date on which the share option is deemed to be granted and accepted by the holders in accordance with the provisions of the Scheme.

Save as disclosed herein, none of the Directors or any of their associates had any beneficial interests in the ordinary shares of the Company or its associated companies or had been granted any rights to subscribe for equity or debt securities of the Company as at 30 June 2002 as recorded in the Company's Register of Directors' Interests as required to be kept under Section 29 of the SDI Ordinance.

Substantial Shareholders' Interests

At 30 June 2002, according to the register required to be kept under Section 16(1) of the SDI Ordinance, the following shareholders were interested in 10% or more of the issued ordinary shares of the Company:

名稱	Name	Number of shares held 持有之股份數目	Percentage of issued share capital 佔已發行股本之比重
Victon Investment Limited		235,282,761	25%
Amerdale Investments Limited		170,062,075	18%

除上述披露者及已載於上節「董事於股份及認股權證權益」內之本公司兩位董事之權益外，並無任何人士需按披露權益條例第16(1)條所規定，而曾經登記擁有本公司普通股之權益。

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

購買、出售或贖回上市證券

本公司或其任何附屬公司概無於回顧期內購買、出售或贖回本公司之任何上市證券。

審核委員會

審核委員會已會同管理層審閱本集團採用之會計準則及慣例，並已討論有關審核、內部監控及財務報告事項，包括審閱截至二零零二年六月三十日止六個月之未經審核綜合中期財務報表。

最佳應用守則

本公司獨立非執行董事因根據本公司之章程細則須輪換卸任及重選。除以上所述外，就董事目前所知，並無資料合理地顯示本公司於截至二零零二年六月三十日止六個月期間任何時候曾不遵守香港聯合交易所有限公司證券上市規則附錄十四之規定。

承董事會命

主席
顏健生

香港，二零零二年九月十八日

Purchase, Sale or Redemption of Listed Securities

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

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 the review of the unaudited consolidated interim financial statements for the six months ended 30 June 2002.

Code of Best Practice

None of the directors of the Company is aware of any information which 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited at any time during the six months ended 30 June 2002 except that the independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's articles of association.

By Order of the Board

Gan Khian Seng
Chairman

Hong Kong, 18 September, 2002