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INTERIM RESULTS

The Directors of Glorious Sun Enterprises Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2002 together with the comparative figures for the corresponding period of last year as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

	Notes	Six months ended 30 September	
		2002 HK\$'000	2001 HK\$'000
Turnover	(2)	1,621,170	1,459,567
Cost of sales		(944,193)	(816,582)
Gross profit		676,977	642,985
Other revenue and gains		46,844	48,329
Selling and distribution costs		(326,341)	(283,130)
Administrative expenses		(224,198)	(225,196)
Other operating expenses		(12,584)	(22,372)
Gain/(loss) on disposal of subsidiaries		(513)	8,010
Profit from operating activities	(2)&(3)	160,185	168,626
Finance costs		(13,304)	(18,233)
Share of profits and losses of:			
– Jointly-controlled entities		1,085	3,756
– Associates		19,809	23,653
Profit before tax		167,775	177,802
Tax	(4)	(17,630)	(18,831)
Profit before minority interests		150,145	158,971
Minority interests		(58,088)	(67,873)
Net profit from ordinary activities attributable to shareholders		92,057	91,098
Interim dividend		27,016	27,016
		HK cents	HK cents
Earnings per share			
Basic	(5a)	9.20	9.10
Diluted	(5b)	N/A	N/A

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CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 September 2002 HK\$'000	Audited As at 31 March 2002 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Fixed assets		480,442	470,640
Investment property		1,850	1,850
Interests in jointly-controlled entities		20,018	17,125
Interests in associates		70,603	79,842
Permanent quota		801	2,217
		<u>573,714</u>	<u>571,674</u>
CURRENT ASSETS			
Inventories		464,702	493,440
Trade and bills receivable	(6)	341,316	231,853
Prepayment, deposits and other receivables		203,784	178,409
Cash and bank balances		797,826	848,870
Pledged bank deposits		37,844	41,706
		<u>1,845,472</u>	<u>1,794,278</u>
CURRENT LIABILITIES			
Trade and bills payable	(7)	326,656	229,652
Other payables and accruals		418,742	364,847
Tax payable		23,747	15,110
Interest-bearing bank and other borrowings		182,476	305,303
		<u>951,621</u>	<u>914,912</u>
NET CURRENT ASSETS		<u>893,851</u>	<u>879,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,467,565</u>	<u>1,451,040</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		66,121	30,037
Long term loans from minority shareholders		9,400	9,400
Deferred tax		2,019	527
		<u>77,540</u>	<u>39,964</u>
MINORITY INTERESTS		<u>147,532</u>	<u>187,680</u>
		<u>1,242,493</u>	<u>1,223,396</u>
CAPITAL AND RESERVES			
Issued capital		100,058	100,058
Reserves	(8)	1,115,419	1,048,294
Proposed dividend		27,016	75,044
		<u>1,242,493</u>	<u>1,223,396</u>



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	Six months ended	
	30 September	
	2002	2001
	HK\$'000	HK\$'000
Net cash inflow from operating activities	279,383	211,841
Net cash inflow/(outflow) from investing activities	(28,917)	16,903
Net cash outflow from financing activities	(317,691)	(215,072)
Net increase/(decrease) in cash and cash equivalents	(67,225)	13,672
Cash and cash equivalents at 1 April	813,773	744,738
Effect of foreign exchange rate changes, net	986	(2,525)
Cash and cash equivalents at 30 September	<u>747,534</u>	<u>755,885</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	797,826	807,080
Bank overdrafts	(50,292)	(51,195)
	<u>747,534</u>	<u>755,885</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Six months ended	
	30 September	
	2002	2001
	HK\$'000	HK\$'000
Total shareholders' equity at 1 April	1,223,396	1,160,704
Net gains/(losses) not recognised in the profit and loss account - exchange realignment on translation of overseas subsidiaries, jointly-controlled entities and associates	1,228	(10,582)
Exchange loss realised upon disposal of subsidiaries	856	7,861
Net profit for the period	92,057	91,098
Dividends paid	(75,044)	(75,044)
Total shareholders' equity at 30 September	<u>1,242,493</u>	<u>1,174,037</u>



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NOTES TO THE CONDENSED CONSOLIDATED ACCOUNTS

(1) Principal accounting policies and basis of presentation

These condensed consolidated interim financial statements 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.

The consolidated interim financial statements for the period ended 30 September 2002 are unaudited and have been reviewed by the Audit Committee of the Company.

The principal accounting policies and methods of computation used in the preparation of the consolidated interim financial statements are consistent with those adopted in the annual report for the year ended 31 March 2002, except that the Group has adopted the following new and revised SSAPs issued by the Hong Kong Society of Accountants which are effective for the accounting periods commencing on or after 1 January 2002:

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"

These SSAPs prescribe new accounting measurement and disclosure practices. The adoption of these new and revised SSAPs do not have material impact on the results or shareholders' equity of the Group in both accounting periods, except that the presentation of certain items and balances in the condensed consolidated interim financial statements have been revised to comply with the new requirements.



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(2) Segment information

An analysis of the Group's revenue and results by business and geographical segments are as follows:

(a) Business segments

For the six months ended 30 September (Unaudited)

	Retail operations		Export operations		Other operations		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	799,082	668,376	693,550	687,131	128,538	104,060	1,621,170	1,459,567
Other revenue and gains	2,424	3,341	16,302	13,177	21,311	19,210	40,037	35,728
Total revenue	<u>801,506</u>	<u>671,717</u>	<u>709,852</u>	<u>700,308</u>	<u>149,849</u>	<u>123,270</u>	<u>1,661,207</u>	<u>1,495,295</u>
Segment results	<u>60,561</u>	<u>40,508</u>	<u>74,441</u>	<u>101,492</u>	<u>30,923</u>	<u>27,803</u>	<u>165,925</u>	<u>169,803</u>
Interest income and unallocated revenue							6,803	12,602
Unallocated expenses							(12,543)	(13,779)
Profit from operating activities							160,185	168,626
Finance costs							(13,304)	(18,233)
Share of profits and losses of:								
- Jointly-controlled entities							1,085	3,756
- Associates							19,809	23,653
Profit before tax							167,775	177,802
Tax							(17,630)	(18,831)
Profit before minority interests							150,145	158,971
Minority interests							(58,088)	(67,873)
Net profit from ordinary activities attributable to shareholders							<u>92,057</u>	<u>91,098</u>



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(b) *Geographical segments*

For the six months ended 30 September 2002 (Unaudited)

	Mainland China HK\$'000	Hong Kong HK\$'000	United States of America HK\$'000	Australia and New Zealand HK\$'000	Canada HK\$'000	Others HK\$'000	Con- solidated HK\$'000
Segment revenue:							
Sales to external customers	<u>555,015</u>	<u>80,094</u>	<u>603,952</u>	<u>280,907</u>	<u>33,928</u>	<u>67,274</u>	<u>1,621,170</u>
Segment results	<u>66,997</u>	<u>21,580</u>	<u>60,820</u>	<u>1,241</u>	<u>2,179</u>	<u>13,108</u>	<u>165,925</u>

For the six months ended 30 September 2001 (Unaudited)

	Mainland China HK\$'000	Hong Kong HK\$'000	United States of America HK\$'000	Australia and New Zealand HK\$'000	Canada HK\$'000	Others HK\$'000	Con- solidated HK\$'000
Segment revenue:							
Sales to external customers	<u>423,795</u>	<u>70,604</u>	<u>625,618</u>	<u>258,067</u>	<u>21,568</u>	<u>59,915</u>	<u>1,459,567</u>
Segment results	<u>63,402</u>	<u>9,725</u>	<u>90,629</u>	<u>(11,001)</u>	<u>3,009</u>	<u>14,039</u>	<u>169,803</u>

(3) Profit from operating activities

The Group's profit from operating activities is arrived at after charging depreciation amounting to HK\$56,277,000 (2001: HK\$51,301,000).

(4) Taxation

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



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	Unaudited	
	Six months ended	
	30 September	
	2002	2001
	HK\$'000	HK\$'000
Company and its subsidiaries:		
Hong Kong	9,024	11,915
Elsewhere	1,837	951
Deferred tax	1,326	-
	12,187	12,866
Share of tax attributable to associates:		
Hong Kong	-	30
Elsewhere	5,443	5,899
	5,443	5,929
Share of tax attributable to jointly-controlled entities:		
Elsewhere	-	36
Total	17,630	18,831

(5) Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the six months ended 30 September 2002 of HK\$92,057,000 (2001: HK\$91,098,000) and 1,000,584,000 (2001: 1,000,584,000) shares in issue during the period.

(b) Diluted earnings per share

As the subscription prices of the share options outstanding during the six months period ended 30 September 2002 and 2001 are higher than the respective average market price of the Company's shares during both period, there is no dilution effect on the basic earnings per share.



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(6) Trade and bills receivable

The trade and bills receivable include trade debtors of HK\$148,689,000 (2001: HK\$88,430,000). The age analysis of trade debtors as at 30 September are as follows:

	2002 HK\$'000	2001 HK\$'000
0-3 months	120,625	77,769
4-6 months	17,665	6,405
Over 6 months	10,399	4,256
	<u>148,689</u>	<u>88,430</u>

Majority of the balances are on letter of credit (sight or usance).

(7) Trade and bills payable

The trade and bills payable include trade creditors of HK\$221,948,000 (2001: HK\$156,534,000). The age analysis of trade creditors as at 30 September are as follows:

	2002 HK\$'000	2001 HK\$'000
0-3 months	183,267	136,447
4-6 months	32,808	15,192
Over 6 months	5,873	4,895
	<u>221,948</u>	<u>156,534</u>

(8) Reserves

	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Asset revaluation reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Non- distributable reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2002	268,668	115,551	22,266	(65,066)	5,242	701,633	1,048,294
Exchange realignment on translation of overseas subsidiaries, jointly-controlled entities and associates	-	-	-	1,228	-	-	1,228
Release upon disposal of a subsidiary	-	-	-	856	-	-	856
Transfer from retained profit	-	-	-	-	43	(43)	-
Net profit for the period	-	-	-	-	-	92,057	92,057
Interim dividend	-	-	-	-	-	(27,016)	(27,016)
At 30 September 2002	<u>268,668</u>	<u>115,551</u>	<u>22,266</u>	<u>(62,982)</u>	<u>5,285</u>	<u>766,631</u>	<u>1,115,419</u>



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INTERIM DIVIDEND

The Directors have resolved to pay an interim dividend of 2.70 HK cents (2001: 2.70 HK cents) per share for the six months ended 30 September 2002 to shareholders whose names appear on the register of members of the Company as at the close of business on Thursday, 19 December 2002. The interim dividend is expected to be paid to shareholders by post on or around Tuesday, 24 December 2002.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 17 December 2002 to Thursday, 19 December 2002, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712 - 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:00 p.m. on Monday, 16 December 2002.

REVIEW OF OPERATION

In the first half of the financial year under review, the global economic outlook fluctuated. At the beginning of the year, although strength of the economic rebound was weak, the market was still positive about recovery. However, in the wake of the accounting scandals, disappointing corporate earnings and other negative news, investors became less optimistic. Since the second quarter of this year, global equity markets experienced another round of downturn. Capital investments faltered and consumer confidence tumbled. Under this global situation, the price level of our exports could not be restored back to the level prior to the September 11 Event. Performance of export business was much worse when compared with the same period in 2001.

The economy of The People's Republic of China ("the PRC") remained buoyant. For the period ended 30 September 2002, the GDP and the import and export amounts of the PRC made record high, reporting a growth of 7.9% and 18.3% respectively when compared with last year. Foreign direct investments in the PRC also broke record and reported a growth of 38.4%. The foreign currency reserve of the PRC rose to around USD300 billions. The PRC was considered by global



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investors as the most popular and promising place for foreign investment, even better than the US. All the aforesaid could also be reflected in the 8.7% growth in retail consumption amounts. The Group's retail business in the Mainland managed to capture and share the benefit of such growths, and achieved cheering growth in sales amount. Turnover grew with double-digit, thus market share was enlarged. Profits also increased accordingly. "Jeanswest" became one of the most popular brandnames in casual wear. On the other hand, our retail business in Australia turned around and started to report profits after two years of consolidation and restructuring. Although turnover had been slightly affected by the closure of some non-profitable shops, profit margin improved.

Since all our staff worked hard in their respective posts to meet the challenges in this tough macro-economic environment, the Group managed to improve its operating efficiency and cost reduction. Inventory was maintained at a healthy level. The financial position of the Group was sound and solid. As at 30 September 2002, the net cash in hand increased to HK\$587,000,000.

For the period ended 30 September 2002, the turnover of the Group's unaudited consolidated accounts was HK\$1,621,170,000 (2001: HK\$1,459,567,000) representing an increase of 11.07%. Net profit attributable to shareholders amounted to HK\$92,057,000 (2001: HK\$91,098,000) showing a slight increase of 1.05% when compared with the same period of last year. If effect of the disposal of subsidiaries on the net profit was taken out, the net profit was increased by 11.41%.

1. Retail Operations

During the first half of the year, the retail market in the PRC was buoyant against fierce market competition. New brands were introduced into the market every month. Consumers became more and more demanding in the selection of brands, products and service qualities. But the Management was able to meet the market demands by providing the right products, comprehensive storefront and after-sales services to our customers and increasing the number of franchised shops. Therefore, the Group's retail business in the PRC continued to report encouraging growth and maintained reasonable gross profit margins. The Management also made effort in relocating retail shops so as to make our shops more easily accessible by our customers. Our relentless effort in improving product mix and quality



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was also a factor attributing to the growth in turnover. During the period, the Group obtained the exclusive right to market casual wear products for the 2002 FIFA World Cup Korea/Japan in the PRC, the Group's brand image was thus boosted.

After two years of consolidation, our retailing in Australia turned around and the whole operation was back on track and became profitable. After the disposal of non-profitable brands and shops, the Management was able to deploy our resources in developing the core business and brands. In addition, there were improvements in exploring competitive product sources. Turnover was slightly down due to the closure of some shops. However, without taking into consideration of the strengthening of Australian dollars, the gross margin was restored to a healthy level.

As at 30 September 2002, the Group's retail network composed of 734 shops (2001: 724 shops). There were 565 shops (2001: 528 shops) in the PRC including 95 franchised shops, and 169 shops (2001: 196 shops) in Australia, including 6 franchised shops. During the period, the total turnover of our retail business amounted to HK\$799,082,000 (2001: HK\$668,376,000) showing an increase of 19.56% when compared with last year.

2. Export Business

During the period, when the retail market in North America started to recover from the aftermath of the September 11 Event, the stock market was badly hit by some disappointing corporate earnings and the accounting scandals being discovered. Corporate investment thus contracted, consumer confidence index plunged and retail sentiment remained sluggish. Although the number of export orders remained steady, the price level could not be restored back to the level prior to the September 11 Event. Importers became very price conscious and always pressed for a shorter production lead-time. As a result, our export business was under-performed when compared with the same period last year. Thanks to our hard working staff in improving the efficiencies along the production supply chain, the aforesaid negative impacts on the Group were lessened. During the period, the export turnover amounted to HK\$693,550,000 (2001: HK\$687,131,000), showing an increase of 0.93% when compared with last year.



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3. Financial Position

The Group continued to manage its financial matters in a prudent manner, and thus maintained a healthy financial position during the period under review. As at 30 September 2002, total bank and related borrowings amounted to HK\$248,597,000 (2001: HK\$466,577,000) while cash and bank balances amounted to HK\$835,670,000 (2001: 915,090,000). The Group held net cash of HK\$587,073,000 (2001: HK\$448,513,000). The calculation of debt to equity ratio (expressed as a percentage of bank and related borrowings net of cash and bank balances over total net assets of the Group) was therefore not applicable.

During the period under review, the Group entered into foreign currency forward contracts to hedge the currency risk in Australian dollars. As at 30 September 2002, the Group had contingent liabilities of HK\$15,457,000 (2001: HK\$18,034,000) associated with the export bill discounted with recourse.

4. Human Resources

As at 30 September 2002, the Group's total number of employees was about 26,000. Compared with market standard, their remuneration packages are competitive. In addition, bonus and share options may be granted to employees based on the Group's results and individual performance.

PROSPECTS

The outlook of the global economy within the second half of the financial year still contains many uncertain variables. The possibility of US military manoeuvre against Iraq is imminent and its impacts may be far reaching. The market concerns about the probability of the slipping of the US economy into a double dip recession. The Management will continue to manage the Group's financial position prudently and focus on the development of the core business. If the US economy could avoid the double dip recession and recover through further reduction of the interest rate and effective tax reduction scheme, our export business will be more stable than that of last year.



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The most exciting part of our business is the retailing in the PRC. The Management will endeavour to maintain the growth momentum. In addition to opening more shops in prime area of first tier cities, more franchised shops will be launched to expand our network coverage. Investment in brand building will also be increased to enlarge market share.

As the Australian retail operations become profitable again, the Group will strive for expansion of market share and enhancement of profitability. The endeavour of exploring more flexible and competitive sources of supplies to further improve operating margin will be persisted. The Management has reasons to expect Australian operations to resume making steady profit contribution again.

The laws in the PRC require corporate accounting year-end to be on 31 December. Since the contribution from the PRC business keeps increasing in the Group's results, the Directors resolved to change the Company's accounting year-end from 31 March to 31 December with effect from this year so as to keep the financial reporting dates in line with those in the PRC and to aim at reducing the operating expenses.

BOARD OF DIRECTORS

Executive

Mr. Charles Yeung, J.P. (Chairman)
Mr. Yeung Chun Fan (Vice-chairman)
Mr. Yeung Chun Ho
Mr. Pau Sze Kee, Jackson
Mr. Hui Chung Shing, Herman
Ms. Cheung Wai Yee

Independent non-executive

Mr. Wong Man Kong, Peter, J.P.
Mr. Lau Hon Chuen, G.B.S., J.P.

COMPANY SECRETARY

Mr. Liu Cheung Yuen



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DIRECTOR'S INTERESTS IN SECURITIES

As at 30 September 2002, the interests of the Directors in the securities of the Company or any of its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), as recorded in the register kept by the Company under Section 29 of the SDI Ordinance were as follows:

Name of director	Number of shares held				Number of share options held
	Personal interests	Family interests	Corporate interests	Other interests	
Mr. Charles Yeung, J.P.	-	-	627,844,000 (note 1)	-	-
Mr. Yeung Chun Fan	-	-	627,844,000 (note 1)	-	5,940,000
Mr. Yeung Chun Ho	-	-	32,430,000 (note 2)	-	10,000,000
Mr. Pau Sze Kee, Jackson	9,370,000	-	-	-	9,962,000
Mr. Hui Chung Shing, Herman	6,250,000	-	-	-	10,000,000
Ms. Cheung Wai Yee	6,730,000	-	-	-	9,898,000
Mr. Lau Hon Chuen, G.B.S., J.P.	956,000	-	-	-	-

Notes:

- 394,954,000 shares were held by Glorious Sun Holdings (BVI) Limited (the entire issued voting share capital of which was held as to 51.934% by Mr. Charles Yeung, J.P. and as to 48.066% by Mr. Yeung Chun Fan) and 232,890,000 shares were held by Advancetex Holdings (BVI) Limited (the entire issued voting share capital of which was held as to 51.934% by Mr. Charles Yeung, J.P. and as to 48.066% by Mr. Yeung Chun Fan), which together represented approximately an aggregate of 62.748% of the total number of issued shares of the Company.
- 32,430,000 shares were held by Unicom Consultants Limited, a company wholly owned by Mr. Yeung Chun Ho, which represented approximately 3.241% of the total number of issued shares of the Company.



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Save as disclosed above, as at 30 September 2002, none of the Directors had any interests in any securities of the Company or any of its 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.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the executive directors and other full-time employees of the Group. The Scheme became effective on 2 September 1996 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. As at 30 September 2002, the number of shares issuable under share options granted under the Scheme was 81,026,000, which represented approximately 8.098% of the Company's shares in issue as at that date. The maximum number of shares issuable under share options to each eligible participant in the Scheme is limited to 2.5% of the shares of the Company in issue at any time.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options.

The subscription price of the share options is determinable by the Directors, but may not be less than the higher of (i) 80% of the average closing price of the ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five trading days immediately preceding the date of the offer; and (ii) the nominal value of the ordinary shares of the Company.



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The following share options granted under the Scheme were outstanding during the period ended 30 September 2002:

Name or category of participant	Number of shares in respect of options				Share options			
	As at	During the period			As at	Date of grant*	Subscription Price** HK\$	Exercised period
	1 April 2002	Exercised	Lapsed	Cancelled	September 2002			
	'000	'000	'000	'000	'000			
Directors								
Yeung Chun Fan	5,940	-	-	-	5,940	31/10/1997	1.800	31/10/1997 to 30/10/2007
Yeung Chun Ho	10,000	-	-	-	10,000	31/10/1997	1.800	31/10/1997 to 30/10/2007
Pau Sze Kee, Jackson	2,962	-	-	-	2,962	30/08/1997	2.564	16/09/1997 to 29/08/2007
	7,000	-	-	-	7,000	31/10/1997	1.800	31/10/1997 to 30/10/2007
Hui Chung Shing, Herman	10,000	-	-	-	10,000	31/10/1997	1.800	31/10/1997 to 30/10/2007
Cheung Wai Yee	2,404	-	-	-	2,404	30/08/1997	2.564	16/09/1997 to 29/08/2007
	7,494	-	-	-	7,494	31/10/1997	1.800	31/10/1997 to 30/10/2007
	<u>45,800</u>	-	-	-	<u>45,800</u>			
Other employees in aggregate	16,000	-	(600)	(150)	15,250	16/06/1997	2.876	15/06/2000 to 14/06/2007
	13,384	-	(64)	-	13,320	30/08/1997	2.564	16/09/1997 to 29/08/2007
	7,868	-	(1,030)	-	6,656	31/10/1997	1.800	31/10/1997 to 30/10/2007
	<u>82,870</u>	-	<u>(1,694)</u>	<u>(150)</u>	<u>81,026</u>			



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色彩無限



No theoretical value of share options is disclosed as no share options were granted during the period.

- * 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 when 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 issued share capital at the nominal value of the shares, and the excess of the subscription 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 register of outstanding options.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2002, the register kept by the Company under section 16(1) of the SDI Ordinance showed that the following shareholders had an interest of 10% or more of the issued share capital of the Company:

Name of shareholder	Number of shares held		Percentage of issued share capital (%)
	Direct interest	Deemed interest	
Mr. Charles Yeung, J.P.	-	627,844,000	62.748
Mr. Yeung Chun Fan	-	627,844,000	62.748
Glorious Sun Holdings (BVI) Limited	394,954,000	-	39.472
Advancetex Holdings (BVI) Limited	232,890,000	-	23.275

Note: Mr. Charles Yeung, J.P. and Mr. Yeung Chun Fan were deemed to be interested in 627,844,000 shares, of which 394,954,000 shares related to the parcel of shares held by Glorious Sun Holdings (BVI) Limited, and 232,890,000 shares related to another parcel of shares held by Advancetex Holdings (BVI) Limited.



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冬日溫情



Save as disclosed above, no other parties were recorded in the register as having an interest of 10% or more of the issued share capital of the Company as at 30 September 2002.

CODE OF BEST PRACTICE

Except that the independent non-executive Directors have no fixed terms of appointment and are subject to retirement by rotation in accordance with the bye-laws of the Company, the Directors are not aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 September 2002, 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.

AUDIT COMMITTEE

The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters including the review of the unaudited interim results for the six months ended 30 September 2002.

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 six months ended 30 September 2002.

By Order of the Board
Charles Yeung, J.P.
Chairman

Hong Kong, 2 December 2002