



KTP HOLDINGS LIMITED
港台集團有限公司

INTERIM REPORT
2002



Interim Results

The board of directors (the “Board”) of KTP Holdings Limited (the “Company”) is pleased to present the Interim Report and condensed accounts of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2002. The consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the Group for the six months ended 30th September 2002, and the consolidated balance sheet as at 30th September 2002 of the Group, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 7 to 18 of this report.

Business Review and Prospect

During the period under review, the Group’s business showed a solid improvement despite challenging business conditions. Turnover for the six-month period ended 30th September 2002 increased to HK\$407 million, an 16% increase from HK\$351 million over the corresponding period last year. Business from the US market reported a robust performance with sales up 42% over the same period last year. However, this increase was partially offset by a 17% decline in the sales to the European market. Sales to Asia Pacific and the Mainland China remained relatively stable throughout the period. In line with the increase in turnover, the Group’s accounts receivable balances as at 30th September 2002 increased 23.7% to HK\$91.9 million as compared with HK\$74.3 million as at 31st March 2002.

The Group’s gross margin was 11% of sales, which is an improvement of 3.7% when compared with 7.3% for the same period last year. The expenses relating to the reorganization of production lines recorded in the first half of 2001/2002 significantly lowered the Group’s gross margin for that period. Excluding such effect, this was not a significant deviation from the gross margin of 11% for the current period.

The Group’s profitability increased significantly. Profit attributable to shareholders increased to HK\$26.4 million from HK\$3.5 million for the same period of 2001. In addition to the margin improvement noted in this period, our earlier initiatives in creating a much leaner operational structure enable us to reduce the general administrative expenses from HK\$31.3 million or 8.9% of sales for the same period of 2001/2002 to current period of HK\$25.5 million or 6.3% of sales.

We are well positioned for the future growth of our Group. Notwithstanding the uncertainties surrounding the global economy, we are encouraged by the Group's improved performance in terms of both sales and profitability. We noted an increasing trend in orders downloaded by our main customers for the second half of 2002/2003 and our current inventory position as at 30th September 2002 of HK\$116.8 million, up 23.6% as compared with HK\$94.6 million as at 31st March 2002 reflects our strong order status in the coming months. We believe that our progress made in the past six months reflects our sound strategy of focusing on product development and our ability to leverage the supply chain advantages. As we mentioned in our 2002 annual report, our new Product Creation Centre, which focuses on providing comprehensive services to our customers in an early design stage form the basis on long-term value creation to our customers. In addition, our continuing efforts on supply chain management enable us to manage costs strategically across the supply chain, thus drive greater operating efficiencies throughout the organization. We believe that, with our strengthened cost position and our expanding revenue base, we will generate better returns for the second half of fiscal 2002/2003.

Financial and Liquidity Position

The Group's liquidity and financial position remained strong with net current asset of approximately HK\$123.5 million as at 30th September 2002, as compared to HK\$101.3 million as at 31st March 2002, of which HK\$31.1 million and HK\$33.5 million of bank balances and cash were recorded in the respective periods. Renminbi deposits and cash of HK\$2.5 million and HK\$3.9 million were included in the bank balances and cash as at 30th September 2002 and 31st March 2002 respectively, which were not freely convertible to other foreign currencies.

As at 30th September 2002, the current ratio was 1.96 times and the total liabilities to shareholders fund ratio was 59%, against the respective 1.89 times and 56.6% as at 31st March 2002. As in the past, the Group's had no bank borrowings except for a bank overdraft of approximately of HK\$1.2 million (31st March 2002: HK\$1.0 million) and bills payable of HK\$5.4 million (31st March 2002: HK\$4.0 million) as at 30th September, 2002.

The Group generally finances its business needs with cash generated from its operations. The Group also has access to trade financing facilities provided by its relationship banks for maintaining flexibility in funding and day-to-day liquidity management.

We believe that the Group's cash flows are sufficient to finance its business operations.





Risk of Currency Fluctuation

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar, US dollar, Renminbi or New Taiwan Dollars. Since Hong Kong dollar is pegged to US dollar and the exchange rates of Renminbi and New Taiwan Dollars against Hong Kong Dollars are relatively stable, we consider the exchange risk not significant.

Employees

At 30th September 2002, the Group had approximately 90 (2001: 110) senior staff stationed in Hong Kong, Taiwan and the Mainland China as well as approximately 11,000 (2001: 9,000) workers in the Mainland China. In addition to salaries, the Group provides certain benefits including a discretionary bonus programme, a provident fund scheme as well as an in-house training programme for its employees.

Performance of staff is appraised annually to provide a base for the review of the remuneration package.

Interim Dividend

The Board has resolved on 19th December 2002 to declare an interim dividend of HK\$0.01 per ordinary share for the year ending 31st March 2003. The interim dividend will be payable on 17th January 2003 to shareholders whose names appear on the register of members of the Company on Friday, 10th January 2003.

Closure of Register of Members

The register of members will be closed from Wednesday, 8th January 2003 to Friday, 10th January 2003 both days inclusive, during which period no transfers of shares will be registered. In order to qualify for entitlement of the interim dividend declared, the shareholders should lodge all completed transfer forms accompanied by the relevant share certificate with the Company's registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Tuesday, 7th January 2003.

Directors' Interest in Shares

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

Name of directors	Nature of interests	Number of shares held
Lee Chi Keung, Russell ("Mr Lee")	Corporate interest	251,809,484 shares (<i>Note</i>)
Yu Mee See, Maria	Family interest	251,809,484 shares (<i>Note</i>)

Note:

The corporate interests of 251,809,484 shares in the Company represent 110,604,300 shares and 141,205,184 shares held by Top Source Securities Limited and Wonder Star Securities Limited respectively. Mr Lee has a beneficial interest in both companies. In addition, Ms Yu Mee See, Maria, the wife of Mr Lee is deemed to have interest in the said interest of Mr Lee.

Save as disclosed above and in the section "Directors' rights to acquire shares" below, as at 30th September 2002, none of the directors, chief executives and their respective associates had any interests in the securities of the Company and its associated corporations as defined in the SDI.

Directors' Rights to Acquire Shares

Share Options Scheme

On 30th August 2002, the Company adopted a share option scheme (the "Scheme") whereby, the directors may, at their discretion, invite any eligible participants (including any employees, executive, non-executive and independent non-executive directors of the Group), who have contributed or will contribute to the development of the Group to take up options to subscribe for shares of the Group.

The Company operates the Scheme for the purpose of providing eligible participants with an opportunity to acquire proprietary interests in the Company, which the directors believe will help the building of common objective of the Group and the eligible participants for the betterment of business and profitability of the Group.





The maximum number of option shares can be granted under the Scheme shall not exceed 3,406,169, which is 10% of the total number of shares in issue on the date of the adoption. Unless approved by shareholders of the Company, the total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including both exercised and unexercised options) under the Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the shares of the Company in issue.

The period within which the options must be exercised will be specified by the Company at the time of grant. This period must expire no later than 10 years from the date of grant of the options. At the time of grant of the options, the Company may specify a minimum period for which an option must be held before it can be exercised.

The offer of a grant of share options may be accepted within 14 days from the date on which the document containing the offer is delivered to that participant and the amount payable on acceptance of an option is HK\$1.00.

The subscription price for the shares of the Company to be issued upon exercise of the options shall be no less than the higher of (i) the closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (ii) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company on the date of grant. The subscription price will be established by the Board at the time the option is offered to the participants. No options may be granted under the Scheme after the date of the tenth anniversary of the adoption of the Scheme.

No share options have been granted under the Scheme since its adoption.

Save as disclosed above, at no time during the period was the Company or its subsidiary companies a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or chief executive, nor any of their respective spouses or children under the age of 18, had any rights to subscribe for shares of the Company, or had exercised any rights during the period.

Substantial Shareholders

As at 30th September 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that the Company had been notified of the following substantial shareholders' interests, being 10% or more of the Company's issued share capital. These interests have been disclosed above in respect of the directors.

Name	Number of ordinary shares
Wonder Star Securities Limited ("Wonder Star")	251,809,484 (<i>Note</i>)
Top Source Securities Limited ("Top Source")	110,604,300

Note:

The interests of Wonder Star include 141,205,184 shares held directly by Wonder Star and 110,604,300 shares held by Top Source, a wholly-owned subsidiary of Wonder Star.

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the six months ended 30th September 2002. Neither the Company nor any of its subsidiaries has purchased or sold any shares of the Company during the six months ended 30th September 2002.

Audit Committee

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal controls and financial reporting matters including the review of the Interim Accounts for the six months ended 30th September 2002.

Compliance with the Code of Best Practice

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the accounting period for the six months ended 30th September 2002 except that, the independent non-executive directors are not appointed for a specific term as they are subject to retirement by rotation in accordance with the Company's Bye-Laws.





Condensed Consolidated Income Statement

For the six months ended 30th September 2002

		Unaudited	
		Six months ended	
		30th September	
		2002	2001
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	407,213	350,972
Cost of sales		<u>(362,046)</u>	<u>(325,485)</u>
Gross profit		45,167	25,487
Other revenues		6,737	9,370
Administrative expenses		<u>(25,470)</u>	<u>(31,298)</u>
Operating profit before finance cost	3	26,434	3,559
Finance cost		<u>(6)</u>	<u>(9)</u>
Profit before taxation		26,428	3,550
Taxation	4	<u>—</u>	<u>(46)</u>
Profit attributable to shareholders		<u>26,428</u>	<u>3,504</u>
Dividend	5	<u>3,406</u>	<u>—</u>
Earnings per share			
— Basic	6	<u>7.8HKcents</u>	<u>1.0HKcents</u>

Condensed Consolidated Balance Sheet

As at 30th September 2002

		Unaudited 30th September 2002 HK\$'000	Audited 31st March 2002 HK\$'000
	<i>Note</i>		
Non-current assets			
Fixed assets	7	<u>94,447</u>	<u>100,395</u>
Current assets			
Inventories		116,836	94,561
Accounts receivable and deposits	8	97,408	77,330
Bills receivable		6,322	8,043
Rental advances		881	1,998
Taxation recoverable		27	27
Bank balances & cash		<u>31,177</u>	<u>33,471</u>
		<u>252,651</u>	<u>215,430</u>
Current liabilities			
Accounts payable and accruals	9	122,549	109,087
Bills payable		5,422	3,969
Bank overdrafts, unsecured		<u>1,189</u>	<u>1,040</u>
		<u>129,160</u>	<u>114,096</u>
Net current assets		<u>123,491</u>	<u>101,334</u>
Total assets less current liabilities		<u>217,938</u>	<u>201,729</u>
Financed by:			
Share capital	10	3,406	3,406
Reserves	11	<u>214,532</u>	<u>198,323</u>
Shareholders' funds		<u>217,938</u>	<u>201,729</u>





Condensed Consolidated Cash Flow Statement

For the six months ended 30th September 2002

	Unaudited	
	Six months ended	
	30th September	
	2002	2001
	HK\$'000	HK\$'000
Net cash from operating activities	9,977	36,825
Net cash used in investing activities	(3,305)	(76)
Net cash used in financing activities	<u>(9,115)</u>	<u>(9)</u>
(Decrease)/Increase in cash and cash equivalents	(2,443)	36,740
Cash and cash equivalents at 1st April	<u>32,431</u>	<u>108,500</u>
Cash and cash equivalents at 30th September	<u>29,988</u>	<u>145,240</u>
Analysis of balances of cash and cash equivalents		
Bank balances and cash	31,177	146,293
Bank overdrafts	<u>(1,189)</u>	<u>(1,053)</u>
	<u>29,988</u>	<u>145,240</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September 2002

	Unaudited				
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Retained profit/ accumulated losses) <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April 2001	153,277	272,516	164,639	(258,848)	331,584
Profit for the six months 30th September 2001	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,504</u>	<u>3,504</u>
At 30th September 2001	153,277	272,516	164,639	(255,344)	335,088
Reduction of share premium (<i>Note 11(a)</i>)	—	(272,516)	—	272,516	—
Reduction of par value of issued shares (<i>Notes 10 & 11(a)</i>)	(149,871)	—	—	149,871	—
2001 Distribution to the Shareholders, paid (<i>Note 11(b)</i>)	—	—	(153,277)	—	(153,277)
Profit for the six months ended 31st March 2002	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,918</u>	<u>19,918</u>
At 31st March 2002	3,406	—	11,362	186,961	201,729
Profit for the six months ended 30th September 2002	—	—	—	26,428	26,428
2002 Final dividend, paid	<u>—</u>	<u>—</u>	<u>—</u>	<u>(10,219)</u>	<u>(10,219)</u>
At 30th September 2002	<u><u>3,406</u></u>	<u><u>—</u></u>	<u><u>11,362</u></u>	<u><u>203,170</u></u>	<u><u>217,938</u></u>



Notes to the Interim Accounts

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim accounts (“Interim Accounts”) are 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 (“HKSA”) and Appendix 16 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Interim Accounts should be read in conjunction with the annual report of the Company for the year ended 31st March 2002.

The accounting policies and methods of computation used in the preparation of the Interim Accounts are consistent with those used in the annual accounts for the year ended 31st March 2002 except that the Group has changed its certain accounting policies following its adoption of the following SSAPs issued by the HKSA 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 34	:	Employee benefits

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

Certain comparative figures have been reclassified to conform with current period’s presentation.

2. Segment information

An analysis of the Group's revenue and results for the period by geographical segment based on the country in which the customer is located is as follows:

	Unaudited			
	Six months ended 30th September			
	2002	2002	2001	2001
	Turnover	Segment		Segment
	<i>HK\$'000</i>	<i>Result</i>	Turnover	<i>Result</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
United States	244,457	16,386	172,338	4,522
Europe	77,744	5,211	93,556	2,455
Asia	65,984	4,423	65,010	1,705
Canada	4,541	305	5,434	143
Others	14,487	971	14,634	384
	<u>407,213</u>	<u>27,296</u>	<u>350,972</u>	9,209
Unallocated costs		<u>(862)</u>		<u>(5,650)</u>
Operating profit before finance cost		26,434		3,559
Finance cost		<u>(6)</u>		<u>(9)</u>
Profit before taxation		26,428		3,550
Taxation		<u>—</u>		<u>(46)</u>
Profit attributable to shareholders		<u>26,428</u>		<u>3,504</u>

No analysis of segment information by business segment is presented as the Group has been engaged in the manufacturing and sale of footwear products only.





3. Operating profit before finance cost

Operating profit before finance cost is arrived at after crediting/(charging) the following:

	Unaudited	
	Six months ended	
	30th September	
	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Crediting		
Interest income	69	1,955
Exchange gain	144	1,398
Rental Income	1,933	2,004
Charging		
Staff costs	(67,786)	(65,462)
Contributions to retirement scheme less forfeiture of HK\$116,000 (2001: HK\$81,000)	(447)	(572)
Depreciation	(9,981)	(12,933)
Operating lease rentals for land and buildings	(2,127)	(1,641)
	<u> </u>	<u> </u>

4. Taxation

No provision for Hong Kong profits tax has been made as the Group has no assessable profits for the period (2001: Nil). Overseas taxation has been calculated based on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

5. Dividend

	Unaudited	
	Six months ended	
	30th September	
	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim, proposed of HK\$0.01 (2001: Nil) per ordinary share (<i>Note</i>)	<u>3,406</u>	<u>—</u>

Note:

At a board meeting held on 19th December 2002, the directors recommended an interim dividend of HK\$0.01 per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of returned earnings for the year ending 31st March 2003.

6. Earnings per share

The calculation of earnings per share is based on the Group's profit attributable to shareholders of HK\$26,428,000 (2001: HK\$3,504,000) and weighted average of 340,616,934 (2001: 340,616,934) shares in issue during the period.

No fully dilutive earnings per share is shown as the Company has no potential dilutive ordinary shares as at 30th September 2002 and 2001.

7. Capital expenditure-fixed assets

	Unaudited	Audited
	30th September	31st March
	2002	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Opening net book value	100,395	119,855
Additions	4,033	4,801
Depreciation	(9,981)	(23,590)
Disposals	—	(671)
	<hr/>	<hr/>
Closing net book value	<u>94,447</u>	<u>100,395</u>

8. Accounts receivable and deposits

	Unaudited	Audited
	30th September	31st March
	2002	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accounts receivable (<i>Note</i>)	91,923	74,338
Prepayments and deposits	5,485	2,992
	<hr/>	<hr/>
	<u>97,408</u>	<u>77,330</u>





Note:

The Group allows an average credit period of 30 to 60 days to its trade customers and the ageing analysis of accounts receivable (net of provisions for bad and doubtful debts) was as follows:

	Unaudited 30th September 2002 HK\$'000	Audited 31st March 2002 HK\$'000
Current to 30 days	50,241	37,765
31- 60 days	35,322	33,667
Over 60 days	6,360	2,906
	<u>91,923</u>	<u>74,338</u>

9. Accounts payable and accruals

	Unaudited 30th September 2002 HK\$'000	Audited 31st March 2002 HK\$'000
Accounts payable (<i>Note</i>)	81,171	69,384
Accruals	41,378	39,703
	<u>122,549</u>	<u>109,087</u>

Note:

The ageing analysis of accounts payable is as follows:

	Unaudited 30th September 2002 HK\$'000	Audited 31st March 2002 HK\$'000
Current to 30 days	25,130	31,633
31- 60 days	24,810	25,282
Over 60 days	31,231	12,469
	<u>81,171</u>	<u>69,384</u>

10. Share Capital

	Par value of shares <i>HK\$</i>	Number of ordinary shares	Value <i>HK\$</i>
Authorised:			
At 1st April 2001 and 30th September 2001	0.45 each	800,000,000	360,000,000
Subdivision of unissued shares (<i>Note</i>)		<u>35,200,000,000</u>	<u>—</u>
As at 31st March 2002	0.01 each	<u>36,000,000,000</u>	<u>360,000,000</u>
At 1st April 2002 and 30th September 2002	0.01 each	<u>36,000,000,000</u>	<u>360,000,000</u>
Issued and fully paid:			
At 1st April 2001 and 30th September 2001	0.45 each	340,616,934	153,277,620
Reduction of par value of issued shares (<i>Note</i>)		<u>—</u>	<u>(149,871,451)</u>
At 31st March 2002	0.01 each	<u>340,616,934</u>	<u>3,406,169</u>
At 1st April 2002 and 30th September 2002	0.01 each	<u>340,616,934</u>	<u>3,406,169</u>





Note:

Pursuant to a special resolution passed on 29th November 2001:

- (i) the nominal value of each existing issued ordinary share of HK\$0.45 was reduced to HK\$0.01 by cancelling HK\$0.44 of the paid up capital on each of the ordinary share in issue, totalling HK\$149,871,451 (the “Capital Reduction”) and each unissued ordinary share of HK\$0.45 was subdivided into 45 unissued shares of HK\$0.01 each. Accordingly, the authorised share capital of the Company of HK\$360,000,000 is divided into 36,000,000,000 shares of HK\$0.01 each (“Adjusted Shares”), of which 340,616,934 Adjusted Shares are in issue and credited as fully paid.
- (ii) the credit arising from the Capital Reduction of HK\$149,871,451 was applied to eliminate part of the accumulated losses of the Company (Note 11(a)).

11. Reserves

- (a) Pursuant to a special resolution passed on 29th November 2001, the entire balance of the share premium account of the Company of HK\$272,516,000, HK\$127,555,000 standing to the credit of the contributed surplus account of the Company and HK\$149,871,000 arising from the Capital Reduction (Note 10) were applied to eliminate the Company’s accumulated losses of HK\$549,942,000 as at 31st March 2001.
- (b) Under the Companies Act 1981 of Bermuda (as amended) (the “Act”), the Company’s contributed surplus is distributable to shareholders under certain circumstances as provided in the Act. Pursuant to ordinary resolutions passed on 12th December 2001 and 4th February 2002, a distribution of HK\$0.30 and HK\$0.15 per ordinary share each out of the contributed surplus account of the Company, totalling HK\$153,277,000 was paid to the shareholders on 18th December 2001 and 8th February 2002 respectively.

12. Contingent liabilities

	Company	
	Unaudited	Audited
	30th September	31st March
	2002	2002
	HK\$'000	HK\$'000
Guarantees executed in favour of banks to secure banking and loan facilities granted to subsidiaries	<u>21,477</u>	<u>24,331</u>

The Group did not have any contingent liabilities as at 30th September 2002 and 31st March 2002.

13. Commitments under operating leases

At 30th September 2002, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	Unaudited 30th September 2002 <i>HK\$'000</i>	Audited 31st March 2002 <i>HK\$'000</i>
Not later than one year (<i>Note</i>)	3,499	3,458
Later than one year and not later than five years (<i>Note</i>)	13,933	13,833
Later than five years (<i>Note</i>)	90,673	90,284
	<u>108,105</u>	<u>107,575</u>

Note:

Included in the balances were operating lease commitments in respect of rentals payable to Bao An Xian provisional government for the use of factory premises by the Group pursuant to a non-cancellable operating lease for a lease term of fifty years. These balances, which are stated at the present value of the future aggregate minimum lease payments at the applicable prevailing prime rate of 5.125%, are as follows:

	Unaudited 30th September 2002 <i>HK\$'000</i>	Audited 31st March 2002 <i>HK\$'000</i>
Not later than one year	2,808	2,776
Later than one year and not later than five years	11,233	11,104
Later than five years	89,997	89,322
	<u>104,038</u>	<u>103,202</u>

The Company did not have any commitment as at 30th September 2002 and 31st March 2002.

On behalf of the Board
Lee Chi Keung, Russell
Chairman

Hong Kong, 19th December 2002

