

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and with the Statement of Standard Accounting Practice (“SSAP”) 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2002, except as disclosed below.

In the current period, the Group has adopted, for the first time, a number of new and revised SSAPs, which has resulted in the adoption of the following new and revised accounting policies.

SSAP 1 (Revised)	Presentation of financial statements
SSAP 11 (Revised)	Foreign currency translation
SSAP 15 (Revised)	Cash flow statements

The adoption of these SSAPs has resulted in a change in the format of presentation of the cash flow statement and the statement of changes in equity, but has no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

Employee benefits

In the current period, the Group has adopted SSAP 34 “Employee Benefits”, which introduces measurement rules for employee benefits, including retirement benefit plans. The principal effect of the implementation of SSAP 34 is in connection with the recognition of costs for the Group’s defined benefit retirement benefit plan. The adoption of this SSAP has not had any material effect on the results for the current period or prior accounting period.

1. 編製基準

簡明財務報表已根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之適用披露規定及香港會計師公會頒佈之會計實務準則第25號（「中期財務報告」）編製。

2. 主要會計政策

本簡明財務報表乃按歷史成本常規法編製，並就證券投資之重估值作出修訂。

除下文所披露者外，所採用之會計政策，與編制本集團截至二零零二年三月三十一日止年度之全年財務報表所採用者一致。

於本期間，本集團已首次採用若干新訂及經修訂會計實務準則，並據此而採用了下文之新訂或經修訂會計政策。

會計實務準則第1號 (經修訂)	財務報表之呈列
--------------------	---------

會計實務準則第11號 (經修訂)	外幣換算
---------------------	------

會計實務準則第15號 (經修訂)	現金流量報表
---------------------	--------

採納該等會計實務準則導致現金流量表及權益變動報表的呈列方式有所改變，但對本會計期間或過往會計期間之業績並無重大影響。故此，毋須作出前期調整。

僱員福利

在本期間，本集團採納會計實務準則第34號「僱員福利」，引入僱員福利之量度規則，包括退休福利計劃。實施會計實務準則第34號的主要影響是與確認本集團既定福利退休福利計劃的成本有關。採納此項會計實務準則對本期間或上一會計期間之業績並無任何重大影響。

3. SEGMENT INFORMATION

Business segments

For management purposes, the Group is currently organised into the divisions of trading of building materials and trading of marketable securities and derivatives. These divisions are the basis on which the Group reports its primary segment information.

An analysis of the Group's turnover and contribution to operating results by business segments is as follows:

For the six months ended 30 September 2002

3. 分項資料

按業務劃分

為管理起見，本集團目前分為買賣建築材料及買賣有價證券及衍生工具各部門。該等部門是本集團呈報其主要分項資料的基準。

本集團按業務劃分的營業額及經營業績貢獻分析如下：

截至二零零二年九月三十日止六個月

		Trading of building materials HK\$'000 買賣建築 材料 千港元	Trading of marketable securities and derivatives HK\$'000 買賣有價證券 及衍生工具 千港元	Consolidated HK\$'000 綜合 千港元
TURNOVER	營業額			
External sales	外部銷售	79,456	–	79,456
RESULT	業績			
Segment result	分類業績	(13,185)	(2)	(13,187)
Unallocated corporate expenses	未分配公司開支			(8,887)
Interest income	利息收入			303
Loss from operations	經營虧損			(21,771)
Finance costs	融資成本			(16,599)
Loss on disposal of interests in subsidiaries	出售附屬公司權益之虧損			(5,944)
Impairment loss recognised in respect of interest in an associate	聯營公司權益之確認 減值虧損			(691)
Share of results of associates	應佔聯營公司業績			(2,129)
Loss before taxation	除稅前虧損			(47,134)

Notes to the Condensed Financial Statements (cont'd)

For the six months ended 30 September 2002

簡明財務報表附註(續)

截至二零零二年九月三十日止六個月

3. SEGMENT INFORMATION (cont'd)

For the six months ended 30 September 2001

3. 分項資料(續)

截至二零零一年九月三十日止六個月

		Trading of building materials HK\$'000 買賣建築 材料 千港元	Trading of marketable securities and derivatives HK\$'000 買賣有價證券 及衍生工具 千港元	Others HK\$'000 其他 千港元	Consolidated HK\$'000 綜合 千港元
TURNOVER	營業額				
External sales	外部銷售	139,125	–	145	139,270
RESULT	業績				
Segment result	分類業績	(5,438)	(3,418)	(2,389)	(11,245)
Interest income	利息收入				322
Loss from operations	經營虧損				(10,923)
Finance costs	融資成本				(13,832)
Gain on deemed disposal of an associate	視為出售聯營公司之收益				2,928
Provision for an onerous contract	繁苛合約撥備				(23,400)
Share of results of associates	應佔聯營公司業績				(50,452)
Loss before taxation	除稅前虧損				(95,679)

4. LOSS FROM OPERATIONS

4. 經營虧損

Six months ended 30 September
截至九月三十日止六個月

		2002 HK\$'000 二零零二年 千港元	2001 HK\$'000 二零零一年 千港元
Loss from operations has been arrived at after charging:	經營虧損已扣除下列各項：		
Depreciation	折舊	8,435	11,821

5. TAXATION

5. 稅項

Six months ended 30 September
截至九月三十日止六個月

		2002 HK\$'000 二零零二年 千港元	2001 HK\$'000 二零零一年 千港元
The charge comprises:	稅項支出包括：		
The Company and subsidiaries	本公司及其附屬公司		
Taxation in other jurisdictions	其他司法權區之稅項	59	576
Share of taxation of associates	應佔聯營公司之稅項	–	(423)
		59	153
Deferred taxation	遞延稅項	17	–
		76	153

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

其他司法權區之稅項乃按有關司法權區之適用稅率計。

6. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the period of approximately HK\$43,433,000 (HK\$96,277,000 for the six months ended 30 September 2001) and on the weighted average of 4,155,532,713 (1,450,612,577 for the six months ended 30 September 2001) ordinary shares in issue during the period.

The computation of diluted loss per share for both periods does not assume the exercise of the potential ordinary shares as their exercise would result in a decrease in loss per share.

7. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred expenditure of approximately HK\$653,000 on property, plant and equipment.

The Group disposed of property, plant and equipment with an aggregate net book value of approximately HK\$18,325,000 at a total consideration of approximately HK\$21,465,000. In addition, property, plant and equipment with an aggregate net book value of approximately HK\$1,577,000 were disposed of as a result of the disposal of subsidiaries.

8. MOVEMENTS IN INVESTMENTS IN SECURITIES

During the period, Chance Gateway Limited ("Chance Gateway"), a wholly-owned subsidiary of the Group, entered into an agreement to acquire approximately 49% interest in a company ("Shares") with the shareholders' loan proportion to the acquired shareholding ("Debt") for a consideration of HK\$30,000,000 ("Consideration"). Chance Gateway agreed to grant to the vendor a call option to require Chance Gateway to sell the Shares and the Debt to the vendor within the period of twelve months from the date of the agreement at the Consideration plus certain premium. Accordingly, this investment is classified as investments in securities.

6. 每股虧損

每股基本虧損乃根據期內虧損淨額約43,433,000港元(截至二零零一年九月三十日止六個月：96,277,000港元)及期內已發行普通股加權平均數4,155,532,713股(截至二零零一年九月三十日止六個月：1,450,612,577股)。

由於潛在普通股之行使會導致每股虧損減少，故計算兩期間的每股攤薄虧損時假設並無予以行使。

7. 物業、廠房及設備之變動

期內，本集團購置物業、廠房及設備之開支約為653,000港元。

本集團出售賬面總淨值約為18,325,000港元之物業、廠房及設備，總代價為21,465,000港元。此外，本集團因出售附屬公司而出售賬面總淨值約1,577,000港元之物業、廠房及設備。

8. 證券投資變動

期內，本集團之全資附屬公司Chance Gateway Limited(「Chance Gateway」)訂立協議收購一間公司約49%權益(「股份」)及股東貸款(按所收購股權之比例)(「債項」)，代價為30,000,000港元(「代價」)。Chance Gateway同意向賣方授出認購權證，藉以要求Chance Gateway於協議日期起十二個月內，按代價另加若干溢價，向賣方出售股份及債項。故此，是項投資歸類為證券投資。

9. TRADE DEBTORS

The Group does not define a fixed credit policy.

The following is an aged analysis of trade debtors at the reporting date:

		30 September 2002 HK\$'000 二零零二年 九月三十日 千港元	31 March 2002 HK\$'000 二零零二年 三月三十一日 千港元
Within 60 days	60日內	19,368	23,131
61 - 90 days	61-90日	14,719	6,437
Over 90 days	90日以上	29,449	24,727
		63,536	54,295

10. TRADE CREDITORS

The following is an aged analysis of trade creditors at the reporting date:

		30 September 2002 HK\$'000 二零零二年 九月三十日 千港元	31 March 2002 HK\$'000 二零零二年 三月三十一日 千港元
Within 60 days	60日內	7,798	9,096
61 - 90 days	61-90日	1,385	1,904
Over 90 days	90日以上	39,413	24,090
		48,596	35,090

9. 應收貿易款項

本集團並未釐定固定信貸政策。

於報告日期之應收貿易款項之賬齡分析如下：

10. 應付貿易款項

於報告日期之應付貿易款項之賬齡分析如下：

11. PROVISION FOR AN ONEROUS CONTRACT

In prior year, the Company entered into agreement with a third party ("Purchaser") to dispose of certain shares of Skynet Limited ("Shares of Skynet"), a former associate of the Group. According to the terms of the agreement, the Company agreed to grant to the Purchaser a put option to require the Company to acquire the Shares of Skynet within the period of three years from the date of the agreement.

During the period ended 30 September 2001, a provision of HK\$23,400,000, representing the full amount of the exercise price was made for the put option granted to the Purchaser in the prior year to require the Company to purchase the Shares of Skynet.

12. MOVEMENT IN OTHER BORROWINGS

During the period, the Group repaid other borrowings of HK\$60,000,000. Included in other borrowings was an unsecured convertible loan ("Convertible Loan") of approximately HK\$92,302,000 (31 March 2002: HK\$92,302,000) issued by a wholly-owned subsidiary of the Company for a term of six years from June 1997. The Convertible Loan bears interest at 9.8% per annum and is repayable on demand. The Convertible Loan and the accrued interest thereon will, at the option of the convertible noteholder, be convertible into fully paid ordinary shares of the Company at a conversion price calculated at 90% of the average closing price of the shares of the Company quoted on The Stock Exchange of Hong Kong Limited for the twenty trading days immediately preceding the date of the notice under the terms and conditions of the convertible loan deed. The maximum number of the shares of the Company to be issued and allotted under the conversion will not exceed 20% of the then issued share capital of the Company.

11. 繁苛合約撥備

上年度，本公司與第三方(「買方」)訂立協議出售Skynet Limited(本公司之前聯營公司)之若干股份(「Skynet的股份」)。根據該協議之條款，本公司同意授出認沽權予買方以要求本公司於協議日期起三年內期間收購Skynet的股份。

於截至二零零一年九月三十日止期間，本公司已為作為於去年度授予買方認沽權以要求本公司購買Skynet的股份，相等於行使價格全數的23,400,000港元，而作出之撥備。

12. 其他借貸之變動

期內，本集團償還其他借貸60,000,000港元。其他借貸當中包括無抵押可換股貸款(「可換股貸款」)約92,302,000港元(二零零二年三月三十一日:92,302,000港元)，該項可換股貸款由本公司的全資附屬公司發出，年期由一九九七年六月起計六年。可換股貸款的年利率為9.8厘，須按要求償還。可換股貸款持有人可選擇將可換股貸款連同應計利息換為本公司之繳足普通股，轉換價按根據可換股貸款契據的條款及條件規定發出之通告日期前二十個交易日按香港聯合交易所有限公司所報本公司股份平均收市價的90%計算。根據轉換所發行及配發的本公司股份數目最多不會超過本公司當時已發行股本的20%。

13. SHARE CAPITAL

13. 股本

		Number of shares 股份數目	Value HK\$'000 價值 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
At 1 April 2002	於二零零二年四月一日	30,000,000,000	300,000
Additions (Note a)	增加(附註a)	30,000,000,000	300,000
At 30 September 2002	於二零零二年九月三十日	60,000,000,000	600,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
At 1 April 2002	於二零零二年四月一日	1,450,612,577	14,506
Issue of shares (Note b)	股份發行(附註b)	45,000,000,000	450,000
Exercise of warrants (Note c)	行使認股權證(附註c)	3,658	-
At 30 September 2002	於二零零二年九月三十日	46,450,616,235	464,506

During the period ended 30 September 2002, the movement of share capital is as follows:

於二零零二年九月三十日止期間，股本變動如下：

Notes:

- (a) Pursuant to a resolution passed at a special general meeting of the Company held on 15 August 2002, the authorised capital of the Company was increased from HK\$300,000,000 to HK\$600,000,000 by the creation of an additional 30,000,000,000 ordinary shares of HK\$0.01 each.
- (b) The Company issued and allotted 20,000,000,000 and 25,000,000,000 ordinary shares of HK\$0.01 each in the Company for cash at HK\$0.01 per share. The shares issued rank pari passu with the then existing shares in issue in all respects.
- Details of these are set out in the announcement of the Company dated 7 June 2002.
- (c) Certain registered warrant holders exercised their rights to subscribe for 3,658 ordinary shares in the Company at HK\$0.2 per share.

附註：

- (a) 根據本公司於二零零二年八月十五日舉行的股東特別大會所通過的決議案，本公司藉增設30,000,000,000股每股面值0.01港元的普通股，將法定股本由300,000,000港元增至600,000,000港元。
- (b) 本公司按每股0.01港元之價格，發行及配發本公司每股面值0.01港元的普通股20,000,000,000股及25,000,000,000股以換取現金。所發行的股份在各方面均與當時既有股份享有同等地位。
- 有關詳情載於本公司於二零零二年六月七日刊發的公佈內。
- (c) 若干登記認股權證持有人行使彼等的權利按每股0.2港元認購本公司3,658股普通股。

14. CONTINGENT LIABILITIES

		30 September 2002 HK\$'000 二零零二年 九月三十日 千港元	31 March 2002 HK\$'000 二零零二年 三月三十一日 千港元
Corporate guarantee given to bankers in respect of banking facilities utilised by an associate	為一間聯營公司動用之銀行融資而給予銀行之公司擔保	10,268	10,268
Other corporate guarantee in lieu of utility deposit	代替公用事業保證金之其他公司擔保	-	540
Interests on overdue loan unprovided	未撥備逾期貸款之利息	-	4,237

15. LITIGATION

(a) Companion-China Limited ("Companion-China"), a wholly-owned subsidiary of the Company, entered into a supply contract with a raw tiles manufacturer in Shenzhen on 17 May 1997. The contract was finally terminated due to the sub-standard raw tiles. On 2 June 1999, legal action was instituted by the manufacturers in the High Court of Hong Kong against Companion-China demanding the payment of outstanding contract sum of HK\$2,349,000. On 7 August 1999, Companion-China made a counterclaim against the manufacturer for loss and damages as a result of the sub-standard raw tiles.

On 20 December 1999, summary judgment was entered against Companion-China for the payment of outstanding contract sum in the sum of approximately HK\$1,860,000 and interests thereon. Companion-China lodged an appeal against such summary judgment and an unconditional leave was granted to Companion-China on 3 March 2000 to defend the action. If final judgment is entered against Companion-China, Companion-China may be obliged to pay the manufacturer a sum of approximately HK\$1,860,000 plus interests and costs. At the date of this report, there has been no further progress in respect of such action. As the outstanding contract sum of approximately HK\$1,860,000 was provided for in prior year, the Directors are of the opinion that there is unlikely to be any material adverse financial impact on the Group in the event that the final judgement is not in favour of Companion-China.

14. 或然負債

15. 訴訟

(a) 本公司之全資附屬公司友聯中國有限公司(「友聯中國」)於一九九七年五月十七日與深圳一間生磚製造商簽訂一份供應合同。該合同最終因生磚質量未符水準而終止。於一九九九年六月二日，該製造商入稟香港高等法院向友聯中國採取法律行動，追討未償還合同金額約2,349,000港元。於一九九九年八月七日，友聯中國向該製造商提出反索償，追討生磚質量未符水準之損失及損害賠償。

於一九九九年十二月二十日，友聯中國遭受簡易判決，須支付未償還合同金額約1,860,000港元，及此後之利息。友聯中國就該簡易判決上訴，並於二零零零年三月三日獲授予一項無條件許可就訴訟提出抗辯。倘友聯中國遭受最終判決，友聯中國可能有責任向該製造商支付約1,860,000港元，並連同利息及費用。於本報告日期，上述訴訟並無進一步進展。因為該為數約1,860,000港元之未償還合同金額於去年已作撥備，董事認為倘最終判決對友聯中國並不有利，亦不甚可能對本集團的財政狀況構成任何重大不利影響。

15. LITIGATION (cont'd)

- (b) On 22 January 2002, Companion Finance Limited ("Companion Finance"), a wholly-owned subsidiary of the Company, issued a writ against Pang Siu Chung ("Mr. Pang") and Kwok Mun Nei, Candy and Leung Wai Hon (as guarantors) claiming payment of a sum of HK\$322,097 and further interest on the sum of HK\$300,000 at the daily rate of HK\$78 from 29 November 2001 to the date of payment, being the unpaid amount due from Mr. Pang to Companion Finance pursuant to a loan agreement dated 16 February 2001 made between Companion Finance and Mr. Pang, plus cost. At the date of this report, there has been no further progress in respect of such action. As the total amount including interest due from Mr. Pang has already been written off, the Directors are of the opinion that there is unlikely to be any material adverse financial impact on the Group in the event that the final judgement is not in favour of Companion Finance.
- (c) On 3 June 2002, legal action was instituted against Wenzhou Xishan United Ceramics Company Limited (溫州西山聯合陶瓷有限公司) ("United Ceramics") and Chongqing Golden Unity Ceramics Co., Ltd. (重慶金聯陶瓷有限公司) ("Chongqing Golden" as guarantor) (both are subsidiaries of the Company) by China Huarong Asset Management Corporation, Hangzhou Office (中國華融資產管理公司杭州辦事處) ("China Huarong") claiming payment of a sum of RMB12,049,781, being the outstanding principal sum and interest of a loan due from United Ceramics to Industrial and Commercial Bank of China, Wenzhou Branch, Lucheng Sub-branch (中國工商銀行溫州市分行鹿城支行), who has assigned the said loan to China Huarong. On 8 August 2002, the Intermediate People's Court in the Wenzhou Municipality ("the Court") ruled against United Ceramics and Chongqing Golden under which a sum of RMB5,000,000 plus interests and costs shall be paid to China Huarong. On 5 December 2002, the Court gave a final judgement against United Ceramics and Chongqing Golden under which a sum of RMB5,000,000 plus interests and costs of RMB1,581,311 shall be paid to China Huarong. At the date of this report, such amounts have not been paid and no demand for payment has been received by the Group so far. Since accrual has been made in the accounts of the Group in respect of sums claimed, the Directors are of the opinion that there will not be any material adverse impact on the Group.

15. 訴訟(續)

- (b) 於二零零二年一月二十二日，本公司之全資附屬公司Companion Finance Limited (「Companion Finance」)向Pang Siu Chung (「Pang先生」)及Kwok Mun Nei Candy及Leung Wai Hon (作為擔保人)發出令狀，索償322,097港元，以及一筆300,000港元之金額(由二零零一年十一月二十九日至支付日期按日息78港元計算之利息)，即根據Companion Finance與Pang先生於二零零一年二月十六日訂立之一項貸款協議Pang先生結欠Companion Finance之未付款項另加訟費。於本報告日期，概無有關該行動之最新進展。因Pang先生應付款項之總額(包括利息)已作撇銷，董事認為倘最終判決對友聯中國並不有利，亦不甚可能對本集團的財政狀況構成任何重大不利影響。
- (c) 於二零零二年六月三日，中國華融資產管理公司杭州辦事處(「中國華融」)向溫州西山聯合陶瓷有限公司(「聯合陶瓷」)及重慶金聯陶瓷有限公司(「重慶金聯」)作為擔保人(均為本公司之附屬公司)提出法律訴訟，索償人民幣12,049,781元，即聯合陶瓷欠中國工商銀行溫州市分行鹿城支行一筆貸款之未償還本金及利息。於二零零二年八月八日，溫州直轄市中級人民法院作出一項判決，裁定聯合陶瓷及重慶金聯須向中國華融償還人民幣5,000,000元之款項另加利息及訟費。於二零零二年十二月五日，法院作出最終判決，裁定聯合陶瓷及重慶金聯須向中國華融償還人民幣5,000,000元之款項另加人民幣1,581,311元之利息及訟費。於本報告日期，該款項尚未支付而本集團至目前為止概無收到還款之要求。由於本集團已就該索償總額於賬目內作出應計項目，董事認為對本集團不會有重大不利影響。

Notes to the Condensed Financial Statements (cont'd)

For the six months ended 30 September 2002

簡明財務報表附註(續)

截至二零零二年九月三十日止六個月

16. DISPOSAL OF SUBSIDIARIES

16. 出售附屬公司

Six months ended 30 September 2002

截至二零零二年九月三十日止六個月

		HK\$'000 千港元
The effect of the disposals are summarised as follows:	出售的影響概述如下：	
Net assets disposed of	已出售資產淨額	20,954
Negative goodwill released	已解除負商譽	(10)
		20,944
Consideration	代價	15,000
Loss on disposal	出售虧損	(5,944)
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration received	已收現金代價	15,000
Bank balances and cash disposed of	已出售銀行結餘及現金	(254)
		14,746

During the period ended 30 September 2002, the Group disposed of its entire interests in Companion Building Material Supplies (H.K.) Limited, Companion Glory Limited and Companion Sanitaries Limited for a total consideration of approximately HK\$15,000,000.

The disposed subsidiaries did not make any significant contribution to the results of the Group for the period.

於截至二零零二年九月三十日止期間，本集團出售其於Companion Building Material Supplies (H.K.) Limited、Companion Glory Limited及Companion Sanitaries Limited的全部權益，總代價約為15,000,000港元。

期內，已出售之附屬公司對本集團的業績並無任何重大貢獻。

17. POST BALANCE SHEET EVENT

Subsequent to 30 September 2002, the Group had the following significant event:

On 8 November 2002, China Crystal Investment Ltd., an indirect wholly-owned subsidiary of the Company, entered into an agreement with a third party to acquire 63% of the entire issued share capital of WIT International Group Ltd. ("WIT") at a consideration of HK\$120,000,000. WIT shall hold 49% equity interest in Nanning City Gas Co. Ltd., which is mainly engaged in the business of the construction and operation of the gas pipelines in Nanning, the People's Republic of China, and the provision of the related equipment, apparatus and other ancillary services.

The above transaction has not been completed up to the date of this report.

17. 結算日後事項

於二零零二年九月三十日後，本集團有下列重大結算日後事項：

於二零零二年十一月八日，本公司的間接全資附屬公司China Crystal Investment Ltd.與第三方訂立收購協議，藉以按120,000,000港元之代價，收購WIT International Group Ltd. (「WIT」) 全部已發行股本之63%。WIT將會持有南寧管道燃氣有限責任公司的49%股權。南寧管道燃氣有限責任公司的主要業務為在中國南寧城市燃氣管道的建設及營運，以及提供有關設備、儀器和其他配套服務。

上述交易直至本報告日期為止並未完成。