

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Directors are pleased to present the Group's interim report and the condensed consolidated financial statements for the six months ended 31 December 2002. The consolidated profit and loss account, the consolidated cash flow statement and the consolidated statement of changes in equity for the six months ended 31 December 2002, and the consolidated balance sheet as at 31 December 2002 of the Group, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 10 to 27 of this report.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 31 December 2002

	Note	Unaudited six months ended 31 December	
		2002 HK\$000	2001 HK\$000
Turnover	2	1,453,714	1,140,796
Cost of goods sold and services provided		(439,014)	(272,144)
Gross profit		1,014,700	868,652
Other revenues		41,889	48,028
Other operating expenses		(818,111)	(881,068)
Impairment of fixed and other assets	4	—	(79,497)
Profit/(loss) for the period	5	238,478	(43,885)
Minority interest		(679)	4,531
Profit/(loss) attributable to shareholders	15	237,799	(39,354)
Dividends	7	157,380	—
Earnings/(loss) per share			
Basic	8	HK\$0.41	HK\$(0.07)
Diluted	8	N/A	N/A



CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2002 and 30 June 2002

	Note	Unaudited 31 December 2002 HK\$000	Audited 30 June 2002 HK\$000
ASSETS			
Non-current assets			
Fixed assets	9	1,716,212	1,752,869
Interest in an associate		20,101	18,939
Investment securities		40,244	39,213
Held-to-maturity debt securities	10	1,033,601	643,108
Deferred expenditure		6,291	4,304
		<u>2,816,449</u>	<u>2,458,433</u>
Current assets			
Inventories		27,844	34,456
Trade receivables	11	168,594	172,336
Deposits and prepayments		134,643	148,852
Other receivables		27,483	23,897
Cash and bank balances	12	2,769,164	2,943,507
		<u>3,127,728</u>	<u>3,323,048</u>
Current liabilities			
Trade payables	13	159,344	93,271
Other payables and accruals		315,949	396,603
Customers' deposits		28,172	43,193
Deferred income		81,142	89,833
Taxation		8,978	8,992
		<u>593,585</u>	<u>631,892</u>
Net current assets		<u>2,534,143</u>	<u>2,691,156</u>
Total assets less current liabilities		<u>5,350,592</u>	<u>5,149,589</u>
CAPITAL AND RESERVES			
Share capital	14	58,430	58,435
Reserves	15	5,271,170	5,074,102
		<u>5,329,600</u>	<u>5,132,537</u>
Shareholders' funds		<u>5,329,600</u>	<u>5,132,537</u>
Minority interest		20,992	17,052
		<u>5,350,592</u>	<u>5,149,589</u>

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2002

	Note	Unaudited six months ended 31 December	
		2002 HK\$000	2001 HK\$000
<i>Net cash inflow from operating activities</i>		450,348	74,763
Investing activities			
Purchases of fixed assets, net of disposals		(196,276)	(119,715)
Purchases of held-to-maturity debt securities, net of redemptions		(385,878)	(313,273)
Investments		(5,062)	(11,623)
<i>Net cash outflow from investing activities</i>		(587,216)	(444,611)
<i>Net cash outflow before financing</i>		(136,868)	(369,848)
<i>Net cash inflow/(outflow) from financing</i>		68,480	(235,494)
<i>Decrease in cash and bank balances</i>		(68,388)	(605,342)
<i>Cash and bank balances at the beginning of the period</i>		2,418,105	3,344,379
<i>Cash and bank balances at the end of the period</i>		2,349,717	2,739,037
Analysis of cash and bank balances			
Cash and bank balances	12	2,769,164	3,095,129
Less: Pledged bank deposits	12	(419,447)	(356,092)
		2,349,717	2,739,037



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2002

	Share capital HK\$000	Share premium HK\$000	Capital redemption reserve HK\$000	Contributed surplus HK\$000	Retained profits HK\$000	Total HK\$000
1 July 2002	58,435	4,229,260	2,150	199,800	642,892	5,132,537
Repurchases of shares	(182)	(14,270)	182	—	(182)	(14,452)
Issue of new shares in lieu of cash dividend	177	14,316	—	—	(14,493)	—
Payment of 2002 final dividend	—	—	—	—	(26,284)	(26,284)
Profit for the period	—	—	—	—	237,799	237,799
31 December 2002	58,430	4,229,306	2,332	199,800	839,732	5,329,600

For the six months ended 31 December 2001

	Share capital HK\$000	Share premium HK\$000	Capital redemption reserve HK\$000	Contributed surplus HK\$000	Retained profits HK\$000	Total HK\$000
1 July 2001	59,228	4,298,104	1,357	199,800	528,516	5,087,005
Repurchases of shares	(317)	(26,998)	317	—	(317)	(27,315)
Loss for the period	—	—	—	—	(39,354)	(39,354)
31 December 2001	58,911	4,271,106	1,674	199,800	488,845	5,020,336