

The board of directors of Global Tech (Holdings) Limited (the "Company") is pleased to announce the unaudited consolidated profit and loss account, condensed consolidated cash flow statement and consolidated statement of changes in equity of the Company and its subsidiaries (the "Group") for the six months ended 31st March, 2003 (the "Period") and the consolidated balance sheet of the Group as at 31st March, 2003, together with the comparative figures in 2002, as follows:

UNAUDITED INTERIM RESULTS

Consolidated Profit and Loss Account

	Notes	Unaudited Six months ended 31st March	
		2003 HK\$'000	2002 HK\$'000
Turnover	2	1,643,278	2,815,878
Cost of sales		(1,564,051)	(2,436,633)
Gross profit		79,227	379,245
Other revenues		7,573	13,621
Distribution costs		(12,625)	(35,692)
Administrative expenses		(62,997)	(66,071)
Other operating gains and losses		(60,216)	(3,405)
Operating (loss)/profit	3	(49,038)	287,698
Finance costs		(3,272)	(5,998)
Share of loss of a jointly controlled entity		(417)	(563)
(Loss)/Profit before taxation		(52,727)	281,137
Taxation	5	(39)	(44,947)
(Loss)/Profit after taxation		(52,766)	236,190
Minority interests		—	7,079
(Loss)/Profit attributable to shareholders		(52,766)	243,269
Dividends	6	—	(92,987)
(Loss)/Earnings per share	7		
Basic (loss)/earnings per share		(HK\$0.011)	HK\$0.051
Fully diluted (loss)/earnings per share		(HK\$0.010)	HK\$0.049

Consolidated Balance Sheet

	Notes	Unaudited 31st March, 2003 HK\$'000	Audited 30th September, 2002 HK\$'000
Fixed assets		15,831	16,184
Jointly controlled entity		751	1,168
Club debentures		12,301	12,301
Current assets			
Inventories		263,824	407,988
Trading investments	15	229,829	262,101
Trade receivables	8	516,773	674,581
Deposits, prepayments and other receivables		83,973	14,543
Cash and bank balances		284,482	1,070,490
		1,378,881	2,429,703
Current liabilities			
Trade and bills payables	9	293,852	1,054,930
Other payables and accrued charges		133,667	163,897
Taxation		119,803	180,438
Current portion of long-term liabilities	12	88,099	78,688
		635,421	1,477,953
Net current assets		743,460	951,750
Total assets less current liabilities		772,343	981,403
Financed by:			
Share capital	10	51,659	51,659
Reserves	11	720,495	773,027
Shareholders' funds		772,154	824,686
Long-term liabilities	12	189	156,717
		772,343	981,403

Condensed Consolidated Cash Flow Statement

	Unaudited Six months ended 31st March	
	2003 HK\$'000	2002 HK\$'000
Net cash (outflow)/inflow from operating activities	(676,683)	274,937
Net cash inflow/(outflow) from investing activities	37,567	(91,546)
Net cash outflow from financing activities	(147,126)	(60,981)
(Decrease)/Increase in cash and cash equivalents	(786,242)	122,410
Cash and cash equivalents at 1st October	1,070,490	550,480
Effect of foreign exchange rate changes	234	—
Cash and cash equivalents at 31st March	284,482	672,890

The cash and cash equivalents of the Group solely represented cash and bank balances.

Condensed Consolidated Statement of Changes in Equity

	Unaudited Six months ended 31st March	
	2003 HK\$'000	2002 HK\$'000
Opening balance - total equity	824,686	1,152,391
Currency translation differences	234	—
Issue of shares pursuant of the exercise of warrants	—	33,483
Investment revaluation reserve transferred to the profit and loss account upon impairment of investment securities	—	418
Net gains and losses not recognized in the income statement	234	33,901
Net (loss)/profit for the Period	(52,766)	243,269
Dividends	—	(95,782)
Issue of share capital	—	1,523
Closing balance - total equity	772,154	1,335,302

Notes:

1 Principal accounting policies

These unaudited consolidated condensed accounts are prepared in accordance with the Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants (the "HKSA").

These condensed accounts should be read in conjunction with the 2002 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed accounts are consistent with those used in the annual accounts for the year ended 30th September, 2002, except that the Group has changed certain of its 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 15 (revised)	:	Cash flow statement
SSAP 25 (revised)	:	Interim financial reporting

- (a) SSAP 1 (revised), Presentation of financial statements
The Group has prepared a condensed consolidated statement of changes in equity and relevant note to accounts (note 11) in accordance with SSAP 1 (revised).
- (b) SSAP 15 (revised), Cash flow statement
The Group has presented its condensed consolidated cash flow statement based on the revised requirements of SSAP 15 (revised). The comparative figures have been reclassified accordingly.

2 Turnover and segment information

Primary reporting format — business segments

The Group is principally engaged in the trading of telecommunications products. Other operations of the Group mainly comprise provision of repair services of telecommunications products, and television programme syndication and events management.

There are no sales or other transactions between the business segments.

Comparative figures for the six months ended 31st March, 2002 have been restated to conform with the segment classification adopted in the annual accounts for the year ended 30th September, 2002.

	Trading of telecommunications products		Other operations		Group	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Turnover	1,638,990	2,815,878	4,288	—	1,643,278	2,815,878
Segment results	(35,455)	302,138	(13,583)	(14,440)	(49,038)	287,698
Finance costs					(3,272)	(5,998)
Share of loss of a jointly controlled entity					(417)	(563)
(Loss)/Profit before taxation					(52,727)	281,137
Taxation					(39)	(44,947)
(Loss)/Profit after taxation					(52,766)	236,190
Minority interests			—	7,079	—	7,079
(Loss)/Profit attributable to shareholders					(52,766)	243,269

Secondary reporting format — business segments

The Group operates in two main geographical areas:

Mainland China — trading of telecommunications products, and television programme syndication and events management.

Hong Kong, Macau and Taiwan — trading of telecommunications products, provision of repair services of telecommunications products, and television programme syndication and events management.

The Group's inter-segment transactions mainly consists of trading of telecommunications products between different subsidiaries located in different geographical areas. The transactions were entered into at similar terms as that contracted with independent third parties and were eliminated on consolidation.

Comparative figures for the six months ended 31st March, 2002 have been restated to conform with the segment classification adopted in the annual accounts for the year ended 30th September, 2002.

	Turnover		Segment Results	
	Unaudited six months ended 31st March		Unaudited six months ended 31st March	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Mainland China	94,705	1,067,234	(1,745)	90,894
Hong Kong, Macau and Taiwan	1,548,573	1,748,644	(47,293)	196,804
	1,643,278	2,815,878	(49,038)	287,698

3 Operating (loss)/profit

	Unaudited Six months ended 31st March	
	2003 HK\$'000	2002 HK\$'000
Operating (loss)/profit is stated after crediting and charging the following:-		
<u>Crediting</u>		
Gain on disposal of fixed assets	14	—
Gain on disposal of trading investments	617	—
Net unrealised gain on trading investments	1	—
Realised exchange gain on investment in foreign exchange instruments	—	6,968
<u>Charging</u>		
Depreciation of owned fixed assets	1,919	2,638
Depreciation on fixed assets held under hire purchase contracts	12	12
Impairment on investment securities	—	1,528
Loss on disposal of fixed assets	—	614
Loss on disposal of trading investments	—	56

4 Staff costs

	Unaudited Six months ended 31st March	
	2003 HK\$'000	2002 HK\$'000
Wages and salaries	35,813	43,165
Pension costs - defined contribution plans	947	558
	36,760	43,723

5 Taxation

	Unaudited Six months ended 31st March	
	2003 HK\$'000	2002 HK\$'000
The taxation charge comprises:		
Hong Kong profits tax	—	32,845
Overseas taxation	39	14,976
Overprovision in prior period	—	(2,874)
	39	44,947

No Hong Kong profits tax has been provided for the Period (2002: 16%).

Taxation on overseas profits has been calculated on the estimated assessable profit for the Period at the rates of taxation prevailing in the countries in which the Group operates.

6 Dividends

	Unaudited Six months ended 31st March	
	2003 HK\$'000	2002 HK\$'000
2002 final, paid, of HK\$nil (2001 final: HK\$0.020) per ordinary share	—	95,046
Additional final dividends from the previous year paid	—	736
	—	95,782
2003 interim, proposed, of HK\$nil (2002 interim: HK\$0.018) per ordinary share (note (a))	—	92,987

Note:

(a) The board of directors has resolved not to declare any interim dividend for the six months ended 31st March, 2003 (2002: HK\$92,987,000).

7 (Loss)/Earnings per share

The calculation of basic and diluted (loss)/earning per share is based on the Group's loss attributable to shareholders of approximately HK\$52,766,000 (2002: Profit of HK\$243,269,000).

The basic (loss)/earnings per share is based on the weighted average of 4,963,574,523 (2002: 4,770,019,130) ordinary shares in issue during the Period. The fully diluted (loss)/earnings per share is based on 5,053,800,087 (2002: 4,981,040,027) ordinary shares which is the weighted average number of ordinary shares in issue during the Period plus the weighted average of 90,225,564 (2002: 211,020,897) ordinary shares deemed to be issued at no consideration if all outstanding warrants and options had been exercised.

8 Trade receivables

The analysis of the ageing of the trade receivables as at 31st March, 2003 is as follows:

	Unaudited 31st March, 2003 HK\$'000	Audited 30th September, 2002 HK\$'000
Within 30 days	120,333	427,815
31 - 60 days	74,371	147,537
61 - 90 days	143,036	68,464
Over 90 days	402,820	268,872
Less: provision	(223,787)	(238,107)
	516,773	674,581

The normal credit period granted to the customers of the Group is up to 90 days, except for sales made to certain credit-worthy customers as approved by senior management of the Group, for whom a slightly longer credit period may be granted.

9 Trade and bills payables

	Unaudited 31st March, 2003 HK\$'000	Audited 30th September, 2002 HK\$'000
Trade payables	50,316	28,523
Bills payables	243,536	1,026,407
	293,852	1,054,930

Trade and bills payables of the Group as at 31st March, 2003 and 30th September, 2002 were normally required to be settled within 120 days. All of the trade payables of the Group as at 31st March, 2003 and 30th September, 2002 were aged between 30 to 60 days.

10 Share capital

	Unaudited 31st March, 2003		Audited 30th September, 2002	
	No. of shares '000	HK\$'000	No. of shares '000	HK\$'000
Authorised				
Ordinary shares of HK\$0.01 each	20,000,000	200,000	20,000,000	200,000
Issued and fully paid				
Ordinary shares of HK\$0.01 each	5,165,974	51,659	5,165,974	51,659

11 Reserves

	Six months ended 31st March, 2003						
	Share premium HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange difference reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st October, 2002	457,804	2,450	160	—	101	312,512	773,027
Exchange differences arising on translation of subsidiaries and a jointly controlled entity	—	—	—	—	234	—	234
Loss for the Period	—	—	—	—	—	(52,766)	(52,766)
At 31st March, 2003	457,804	2,450	160	—	335	259,746	720,495
Representing:							
2003 proposed interim dividend							—
Others							720,495
							720,495

	Year ended 30th September, 2002						
	Share premium HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange difference reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st October, 2001	366,702	2,450	160	(418)	93	735,886	1,104,873
Issue of shares pursuant to the exercise of warrants	91,102	—	—	—	—	—	91,102
Investment revaluation reserve transferred to the profit and loss account upon impairment of investment securities	—	—	—	418	—	—	418
Exchange differences	—	—	—	—	8	—	8
Loss for the year	—	—	—	—	—	(234,593)	(234,593)
Additional final dividend for the previous year	—	—	—	—	—	(735)	(735)
2001 final dividend paid	—	—	—	—	—	(95,046)	(95,046)
2002 interim dividend paid	—	—	—	—	—	(93,000)	(93,000)
At 30th September, 2002	457,804	2,450	160	—	101	312,512	773,027
Representing:							
2002 proposed final dividend							—
Others							773,027
							773,027

12 Long-term liabilities

	Note	Unaudited 31st March, 2003 HK\$'000	Audited 30th September, 2002 HK\$'000
Long-term bank loan repayable:	12(a)		
Within one year		88,009	78,634
In the second year		—	156,465
In the third to fifth year		—	—
		88,009	235,099
Obligations under hire purchase contracts repayable:			
Within one year		122	73
In the second year		39	73
In the third to fifth year		42	82
Less: future finance charges on hire purchase contracts		(55)	(53)
		148	175
Deferred taxation		131	131
Less: current portion of long-term liabilities		88,288 (88,099)	235,405 (78,688)
		189	156,717

Note:

- (a) The balance of approximately HK\$88,009,000 (30th September, 2002: HK\$234,697,000) is secured by corporate guarantee given by a subsidiary of the Company.

13 Contingent liabilities

There had been no material change in contingent liabilities of the Group since 30th September, 2002.

14 Commitments

(a) Operating lease commitment

As at 31st March, 2003, the Group had future aggregate minimum lease payments under non-cancellable operating lease in respect of land and buildings as follows:

	Unaudited 31st March, 2003 HK\$'000	Audited 30th September, 2002 HK\$'000
Not later than one year	24,044	23,939
Later than one year and not later than five years	4,957	11,654
	29,001	35,593

(b) Other commitment

Save as disclosed above, the Group has no other commitment as at 31st March, 2003.

15 Charges on group assets

As at 31st March, 2003, the Group had the following charges on its assets:

Trading investments of approximately HK\$216 million (30th September, 2002: HK\$261 million), which comprised only of marketable bank certificate of deposits, have been placed as security for banking facilities extended to certain subsidiaries of the Company.

BUSINESS REVIEW AND OUTLOOK

During the six months ended 31st March, 2003, the Group recorded a turnover of approximately HK\$1,643 million (2002: HK\$2,816 million) and incurred a net loss of approximately HK\$53 million (2002: net profit of HK\$243 million). During this Period, the Group's overall gross margin had dropped to approximately 5% from that of 13% for the six months ended 31st March, 2002 (including the effect of stock provision of approximately HK\$43 million). These declining results were mainly attributable to the increasingly competitive mobile market and the adverse business effect of the Severe Acute Respiratory Syndrome (SARS) across the Greater China region.

With the persistent economic downturn in the region, the general trading environment has become more challenging than ever. In addition, competition in the mobile handset industry has also intensified during the past six months. With the increasing entry of new competitors, the Group's turnover volume dropped by approximately 34%. Moreover, the almost simultaneous releases of competing new models by many suppliers had caused rapid drops in handset prices. These factors together had contributed to the overall drop in the Group's turnover by approximately 42%.

The SARS outbreak in the Greater China region beginning in early 2003 had further hit the market causing stocks to move slowly, thus creating further burden on the competitive and adverse price situation. Based on the actual market prices in April and May 2003, the Group had made a stock provision of approximately HK\$43 million to reflect the realizable value of its stocks as at 31st March, 2003. This, coupled with the adverse price pressure mentioned above, has resulted in a drop in the Group's overall gross profit margin to 5% from that of 13% for the six months ended 31st March, 2002.

As the SARS impact on retail businesses cascaded up the supply chain, settlements of some of the Group's receivables were also delayed as indicated by our April's and May's collection records. As a measure of prudence, a provision for doubtful debts of approximately HK\$60 million against the outstanding receivables as at 31st March, 2003 was made for these aged debts.

Facing with the intensifying competition and the SARS outbreak, the Group has been quick to engage in effective price negotiations with our suppliers to address our future terms of purchase in light of the identified price/margin threat. The Group has also been working closely with its business partners to formulate effective marketing and promotion strategies. All these measures were taken to uphold the Group's continuous commitment to maximize margins and deliver better profits for the coming year.

During the first quarter of 2003, the Group had planned to introduce several innovative mobile phone models. These new models were expected to receive good market response and demand, and would have been timely in enhancing the Group's combat against the currently unfavorable market. However, due to the unexpected delays of certain new product launches caused by unforeseen technical issues of our suppliers, the Group's performance may be further affected.

During the Period, the Group had written off approximately 35% of its doubtful debts provision made last year. Since the Group's commencement of its accounts review with its China customers in late 2002, and despite its various recovery actions, the probability of recovering some of the aged debts remained remote. As a result, management of the Group decided to write off some of these accounts as bad debts.

During the last six months, the Group had sold approximately 48% of its stocks on which provision was previously made last year.

The Group's turnover for the Mainland China region decreased by more than 90% to approximately HK\$95 million (2002: HK\$1,067 million). This significant change was mainly due to the increased competition caused by the growing number of domestic suppliers and distributors within the local China market. Given the fall in the Group's model distribution rights, coupled with the introduction of its tightened credit policy last year, the Group's competitive advantages in this market has been further affected.

Financial Review

	31st March, 2003	30th September, 2002
Current ratio	2.17	1.64
Liquid ratio	1.75	1.36
Gearing ratio*	6.3%	9.6%

* Gearing ratio = Total borrowings over total assets

Despite the unfavorable business environment, the Group's financial position continued to remain sound. As at 31st March, 2003, its current ratio rose to 2.17 (30th September 2002:1.64), while its liquid ratio improved to 1.75 (30th September 2002: 1.36).

At 31st March, 2003, the Group's total cash on hand was approximately HK\$284 million (30th September, 2002: HK\$1,070 million). The cash movement during the Period corresponded to the reduction in the Group's bills payables of approximately HK\$783 million and long-term liabilities of approximately HK\$147 million as we continued to refine our business and financing strategies with an aim to maximize profit margins.

As at 31st March, 2003, the Group had banking facilities of approximately HK\$196 million, which has been fully utilized by the Group, and were secured largely by charges on some trading investments and corporate guarantees given by the Company and certain subsidiaries of the Group.

In February 2003, the Company entered into an agreement, with all the syndicated bankers of the Transferable Term Loan Agreement signed in September 2001 (the "Agreement"), to amend the repayment schedule of the Agreement (the "Amendment Agreement"). Under the Amendment Agreement, the loan will be fully settled, in installments, by 30th June, 2003. As at 31st March, 2003, over 60% of the outstanding loan has been repaid. This contributed directly to the fall in the gearing ratio to 6.3% from that of 9.6% as at 31st March, 2002.

The Group conducts its core business transactions mainly in Hong Kong and US dollar currencies. Majority of its cash and bank balances are in either Hong Kong or US dollar currencies, hence the Hong Kong dollar peg presents a natural hedge against currency fluctuations under normal trading circumstances. The Group's hedging of debt related foreign exchange exposures remained unchanged from the year ended 30th September, 2002.

Sino Media Group (SMG) Limited

Pursuant to the resolutions passed in an Extraordinary General Meeting of Sino Media Group (SMG) Limited and a Directors' Meeting of Chinese Infobank Company Limited on 6th January, 2003, these two subsidiary companies of the Company will be under members' voluntary liquidation.

Future Plans and Prospects

Since the outbreak of SARS in early 2003, business in all sectors across the whole Greater China region has been significantly affected. It is expected that an even more negative impact on the economy and consumption power will crystallize in the remaining quarters of 2003, and businesses may take at least six to nine months to recover from the SARS crisis. Therefore, it is forecasted that sales of mobile phones may further deteriorate in the coming quarters, exerting further pressure on product prices, gross margins, stock levels and debt collections in an already competitive market.

Faced with the challenges to combat the detrimental effects of SARS and the generally competitive market, the Group will adopt effective pricing, marketing, financing and cost control strategies to maintain its competitiveness and healthy financial position.

In addition, the Group will continue its efforts in the replacement markets where relative market stability is expected to continue despite the increasing competition and price pressure in the mobile handset market. We will continue to focus on premium, high-end products that offer enhanced functionality and value-added services to our customers. At the same time, the Group will exercise due consideration and care in formulating new business strategies to regain our competitiveness. With our solid foundation, well-accumulated knowledge and experience in the mobile telecommunications markets, the Group's management will strive to meet the upcoming challenges and deliver enhanced performance in the coming future.

In anticipation of the rapidly changing business environment, and based on our intimate knowledge of the mobile telecommunications markets in the Greater China region, the Group will continue its search of new business diversification and expansion opportunities with the aim of bringing more value and improved profitability to the Group.

AUDIT COMMITTEE

The Audit Committee, comprising two Independent Non-executive Directors, namely Mr. IP Man Tin, David and Mr. TAI Ah Lam, Michael, and one Executive Director, Mr. SY Ethan, Timothy, was established on 27th June, 2000. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

The Audit Committee met on 26th June, 2003 and reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim accounts for the Period.

DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 31st March, 2003, the interests of the Directors in the ordinary shares, warrants and share options of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong) (the "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:

(a) Ordinary Shares

Name of Director	Nature of interest	Number of ordinary shares
Mr. YU Sze Kwok, Lewis	Personal interests	7,500,000
	Family interests (note 1)	320,000
Mr. CHEUNG Wing Yin, Vigny Wiley	Personal interests	10,000,000
	Corporate interests (note 2)	120,347,826
Mr. TSE Po Lau, Paul	Personal interests	72,663,303
	Family interests (note 3)	250,000
Mr. SUNG Yee Keung, Ricky	Personal interests	11,000,000

(b) Warrants

Name of Director	Date of grant	Exercise price HK\$	Number of warrants outstanding as at 1st October, 2002	Number of warrants exercised during the Period	Number of warrants outstanding as at 31st March, 2003	Exercisable period
Mr. YU Sze Kwok, Lewis	27th August, 2001 (note 1)	0.680	924,443	—	924,443	27th August, 2001 to 26th August, 2004
Mr. CHEUNG Wing Yin, Vigny Wiley	27th August, 2001	0.680	1,111,111	—	1,111,111	27th August, 2001 to 26th August, 2004
Mr. TSE Po Lau, Paul	27th August, 2001 (note 2)	0.680	11,111,111	—	11,111,111	27th August, 2001 to 26th August, 2004
Mr. SUNG Yee Keung, Ricky	27th August, 2001	0.680	8,924,444	—	8,924,444	27th August, 2001 to 26th August, 2004
Mr. WAN Kwok Cheong, Francis	27th August, 2001	0.680	1,222,222	—	1,222,222	27th August, 2001 to 26th August, 2004

Notes:

- There are 320,000 shares and 35,555 warrants to subscribe for ordinary shares of the Company included in the above were held by Ms. WONG Sui Wan, Jacqueline, the wife of Mr. YU Sze Kwok, Lewis.
- These shares and warrants were held by Asian Top Limited, a company controlled by Mr. TSE Po Lau, Paul.
- These shares were jointly owned by Ms. SUNG Mei Ling, the sister of Mr. SUNG Yee Keung, Ricky.

(c) Share Options

Under a share option scheme approved by the shareholders of the Company on 16th March, 1999 (the "Old Scheme"), the Directors of the Company may, at their discretion, invite employees, including the Executive Directors of the Company, to take up share options to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. At the annual general meeting of the Company held on 27th March, 2003, a new share option scheme (the "New Scheme") was adopted and approved in substitution for the Old Scheme. Upon adoption of the New Scheme, on further options will be granted under the Old Scheme but in all other respects, the provisions of the Old Scheme shall remain in force and all options granted prior thereto shall continue to be valid and exercisable in accordance with the provisions of the Old Scheme. As at 31st March, 2003, particulars and movements of share options granted under the Old Scheme and held by the Directors of the Company for the Period were as follows:

Name of Director	Date of grant	Exercise price HK\$	Number of share options outstanding as at 1st October, 2002	Number of share options exercised during the Period	Number of share options outstanding as at 31st March, 2003	Exercisable period
Mr. SY Ethan, Timothy	26th April, 1999	0.150	100,000,000	—	100,000,000	25th May, 1999 to 24th May, 2009

Except as disclosed above, as at 31st March, 2003, none of the Directors or Chief Executives of the Company or their spouses or children under 18 years of age had any right to subscribe for the shares of the Company or its associated corporations (with the meaning of the SDI Ordinance).

Apart from the above, at no time during the Period was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors or Chief Executives of the Company or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

EMPLOYEE INFORMATION

As at 31st March, 2003, the Group employed a workforce of 135 (30th September, 2002: 125). Staff costs including salaries and bonuses were HK\$36,760,000.

Under the Old Scheme, the Directors of the Company might, at their discretion, invite employees, including the Executive Directors of the Company, to take up options to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein.

Details of share options granted by the Company to employees pursuant to the Old Scheme and the options outstanding as at 31st March, 2003 are as follows:

Date of grant	Exercise price HK\$	Number of share options outstanding as at 1st October, 2002	Number of share options exercised/ cancelled during the Period	Number of share options outstanding as at 31st March, 2003	Exercisable period
15th November, 2000	0.715	1,800,000	—	1,800,000	15th November, 2000 to 14th November, 2010

No share options has been granted by the Company to employees pursuant to the New Scheme since its adoption on 27th March, 2003.

SUBSTANTIAL SHAREHOLDERS

The Register of Substantial Shareholders maintained under Section 16(1) of the SDI Ordinance showed that as at 31st March, 2003, the Company had been notified of the following substantial shareholders' interests, being 10% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Name of shareholder	Number of ordinary shares
Optimum Pace International Limited	2,942,608,695

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party, in which any Director of the Company had a material interest, whether directly or indirectly subsisted at the end of the Period or at any time during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Period.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the Period, except that the Independent Non-executive Directors are not appointed for specific terms, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association of the Company. In the opinion of the Directors, this meets the same objective as the Code of Best Practice.

By Order of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 26th June, 2003