

## Notes to Condensed Consolidated Financial Statements

### 1. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) No. 25 “Interim Financial Reporting”. The accounting policies and basis of preparation used in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2002 except that the Group has adopted the revised SSAP No. 12 “Income Taxes” which became effective on 1 January 2003. Comparative amounts for the prior period have been restated in order to achieve a consistent presentation if necessary.

The interim results are unaudited, but have been reviewed by the Audit Committee.

### 2. PROFIT FROM OPERATIONS

The Group’s profit from operations is arrived at after charging:

	<b>Six months ended 30 June</b>	
	<b>2003</b>	2002
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$’000</b>	HK\$’000
Depreciation on fixed assets	<b>35,089</b>	35,841
Amortisation of deferred development expenditure	<b>394</b>	3,198
Staff costs, inclusive of directors’ emoluments	<b>49,136</b>	44,936

### 3. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2003</b>	2002
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$’000</b>	HK\$’000
Interest on:		
Bank borrowings wholly repayable within five years	<b>3,254</b>	3,397
Finance leases and hire purchase contracts	<b>700</b>	1,141
	<b>3,954</b>	4,538

### 4. TAXATION

Hong Kong Profits Tax is calculated at 17.5% (2002: 16%) of the estimated assessable profits for the period. Overseas taxation is calculated at the rates prevailing in the respective jurisdiction.

## Notes to Condensed Consolidated Financial Statements

## 5. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share are based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2003</b>	2002
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Earnings for the purposes of basic and diluted earnings per share	<b>58,399</b>	45,873
	<b>Number of shares</b>	Number of shares
Number of ordinary shares for the purposes of basic earnings per share	<b>444,259,000</b>	444,259,000
Effect of dilutive share options	<b>3,722,000</b>	2,232,000
Number of ordinary shares for the purposes of diluted earnings per share	<b>447,981,000</b>	446,491,000

## 6. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing an average credit terms ranging from 30 to 90 days to its trade customers.

	<b>30 June</b>	31 December
	<b>2003</b>	2002
	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'000</b>	HK\$'000
Aged analysis of trade receivables:		
Within 60 days	<b>133,540</b>	96,012
60 to 90 days	<b>12,382</b>	18,743
More than 90 days	<b>2,818</b>	16,627
	<b>148,740</b>	131,382
Deposits and prepayments	<b>52,243</b>	39,314
	<b>200,983</b>	170,696

## Notes to Condensed Consolidated Financial Statements

## 7. TRADE AND OTHER PAYABLES

	<b>30 June 2003 (Unaudited) HK\$'000</b>	31 December 2002 (Audited) HK\$'000
Aged analysis of trade payables:		
Within 60 days	<b>51,729</b>	66,724
60 to 90 days	<b>12,201</b>	9,532
More than 90 days	<b>7,853</b>	8,427
	<b>71,783</b>	84,683
Other payables and accrued charges	<b>27,061</b>	20,211
	<b>98,844</b>	104,894