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BOARD OF DIRECTORS

Executive directors:

Cheong Pin Chuan, Patrick
Cheong Kim Pong
Cheong Pin Seng
Cheong Sim Eng

Independent non-executive directors:

Kan Fook Yee
Lai Hing Chiu, Dominic

Non-executive director:

Lim Ghee

RESULTS

The Board of Directors of Winfoong International Limited (the “Company”) announces that the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2003 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2003

		Six months ended	
		30 June	
	<i>Notes</i>	2003	2002
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER	2	23,801	26,398
Cost of sales		(9,089)	(9,498)
Gross profit		14,712	16,900
Other revenue		2,474	257
Operating and administrative expenses		(15,081)	(19,162)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	3	2,105	(2,005)
Finance costs	4	(7,709)	(8,658)
Share of profit/(loss) of an associate		2,270	(1,912)
LOSS BEFORE TAX		(3,334)	(12,575)
Tax charge	5	(697)	(117)
LOSS BEFORE MINORITY INTERESTS		(4,031)	(12,692)
Minority interests		10	8
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS		(4,021)	(12,684)
BASIC LOSS PER SHARE	6	(0.27 cents)	(1.27 cents)

CONDENSED CONSOLIDATED BALANCE SHEET*30 June 2003*

	<i>Notes</i>	30 June 2003 <i>(Unaudited)</i> <i>HK\$'000</i>	31 December 2002 <i>(Audited)</i> <i>HK\$'000</i>
NON-CURRENT ASSETS			
Fixed assets	8	1,306,839	1,307,577
Properties held for future development		80,000	80,000
Interest in an associate		364,183	369,540
Other long term assets	9	4,412	5,202
Pledged bank balances		4,192	1,636
		<u>1,759,626</u>	<u>1,763,955</u>
CURRENT ASSETS			
Properties held for sale	10	71,942	77,203
Inventories		220	203
Trade and other receivables	11	21,154	22,394
Other current assets	12	736	1,072
Cash and cash equivalents		4,279	1,564
		<u>98,331</u>	<u>102,436</u>
CURRENT LIABILITIES			
Trade and other payables	13	22,205	25,270
Tax payable		14,985	14,985
Interest-bearing bank loans	14	41,128	41,386
		<u>78,318</u>	<u>81,641</u>
NET CURRENT ASSETS		<u>20,013</u>	<u>20,795</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,779,639</u>	<u>1,784,750</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	14	523,011	518,259
Deferred income		5,582	5,582
		<u>528,593</u>	<u>523,841</u>
MINORITY INTERESTS		<u>2,108</u>	<u>2,090</u>
		<u>1,248,938</u>	<u>1,258,819</u>
CAPITAL AND RESERVES			
Issued capital	15	74,621	74,631
Reserves	16	1,174,317	1,184,188
		<u>1,248,938</u>	<u>1,258,819</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 June 2003*

		Six months ended	
		30 June	
	<i>Note</i>	2003	2002
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>
Total shareholders's equity at 1 January		1,258,819	1,228,365
Share of movements in reserves of an associate	16	408	(7,635)
Exchange differences on translation of the financial statements of foreign entities	16	(6,236)	26,016
Net gain and losses not recognised in the profit and loss account		(5,828)	18,381
Net loss for the period attributable to shareholders		(4,021)	(12,684)
Share repurchased and cancelled		(32)	–
Issue of shares, including share premium		–	156,772
Share issue expenses		–	(4,164)
Total shareholder's equity at 30 June		<u>1,248,938</u>	<u>1,386,670</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 June 2003*

	Six months ended	
	30 June	
	2003	2002
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(134)	(4,933)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,617)	(74,174)
NET CASH OUTFLOW BEFORE FINANCING ACTIVITIES	(1,751)	(79,107)
NET CASH INFLOW FROM FINANCING ACTIVITIES	4,466	79,922
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,715	815
Cash and cash equivalents at beginning of period	1,564	1,980
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,279	2,795
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,035	1,475
Time deposits	244	1,320
	4,279	2,795

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2003

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have not been audited by the Company's auditors but have been reviewed by the Company's audit committee.

These unaudited condensed consolidated interim financial statements have been 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.

The accounting policies and the basis of preparation used in the preparation of these interim financial statements are the same as those used in the annual audited financial statements for the year ended 31 December 2002 except that:

- (i) land and buildings and investment properties have not been revalued at the balance sheet date; and
- (ii) SSAP12 "Income taxes" has been adopted for the first time in the preparation of the current period's condensed consolidated financial statements. The SSAP 12 requires deferred tax assets and liabilities to be provided in full using the liability method, on temporary differences arising between the tax base of an asset or a liability and its carrying value in the financial statements at the balance sheet date. Deferred tax assets or liabilities arising from temporary differences need to be measured at the tax rates enacted or substantially enacted by the balance sheet date. The principal temporary differences in respect of the Company arise from depreciation of fixed assets, various expense provisions and tax losses carried forward. In the opinion of the directors, the adoption of the revised SSAP did not have a material impact on the results of the Group for the current and prior accounting periods, accordingly, no prior period adjustment has been required.

2. SEGMENT INFORMATION

Segment information is presented on a primary segment reporting basis by business segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

- (a) Property investment and management;
- (b) Property construction and development; and
- (c) Horticultural services.

2. SEGMENT INFORMATION (continued)

The operations outside Hong Kong contributed less than 10% of turnover and less than 10% of consolidated operating profit/(loss).

Intersegment sales and transfers are transacted at terms agreed between parties with reference to third party prices.

(a) Business segments

The following tables present revenue, profit/(loss) for the Group's business segments for the six months ended 30 June:

<i>2003 (Unaudited)</i>	Property investment and management	Property construction and development	Horticultural services	Corporate and others	Eliminations	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:						
Sales to external customers	17,346	4,951	1,504	-	-	23,801
Intersegment sales	1,644	1,469	-	-	(3,113)	-
Other revenue	2,220	-	-	144	-	2,364
	<u>21,210</u>	<u>6,420</u>	<u>1,504</u>	<u>144</u>	<u>(3,113)</u>	<u>26,165</u>
Total revenue						
Segment results	<u>6,084</u>	<u>(810)</u>	<u>39</u>	<u>(205)</u>	<u>(3,113)</u>	<u>1,995</u>
Interest income						110
Profit from operating activities						2,105
Finance costs						(7,709)
Share of profit of an associate	2,270					<u>2,270</u>
Loss before tax						(3,334)
Tax						<u>(697)</u>
Loss before minority interests						(4,031)
Minority interests						<u>10</u>
Net loss attributable to shareholders						<u>(4,021)</u>

2. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

The following tables present revenue, profit/(loss) for the Group's business segments for the six months ended 30 June:

<i>2002 (Unaudited)</i>	Property investment and management	Property construction and development	Horticultural services	Corporate and others	Eliminations	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:						
Sales to external customers	18,697	6,219	1,482	-	-	26,398
Intersegment sales	1,822	1,096	-	-	(2,918)	-
Other revenue	-	-	-	155	-	155
	<u>20,519</u>	<u>7,315</u>	<u>1,482</u>	<u>155</u>	<u>(2,918)</u>	<u>26,553</u>
Segment results	<u>10,278</u>	<u>(1,320)</u>	<u>(368)</u>	<u>(7,779)</u>	<u>(2,918)</u>	<u>(2,107)</u>
Interest income						<u>102</u>
Loss from operating activities						(2,005)
Finance costs						(8,658)
Share of loss of an associate	(1,912)					(1,912)
Loss before tax						(12,575)
Tax						(117)
Loss before minority interests						(12,692)
Minority interests						8
Net loss attributable to shareholders						<u>(12,684)</u>

3. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit/(loss) from operating activities is arrived at after charging/(crediting):

	Six months ended	
	30 June	
	2003	2002
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation	944	950
Cost of properties sold	5,572	7,127
Decrease/(increase) in fair value of listed investments	(15)	48
Profit on disposal of fixed assets	(3)	–
Provision for impairment of long term unlisted investments	774	–
Rental income, gross of HK\$16,846,000 (2002: HK\$18,127,000)		
less outgoings of HK\$3,326,000 (2002: HK\$2,195,000)	(13,520)	(15,932)
Reversal of provision for impairment of loan receivable	(2,220)	–
Interest income	(110)	(102)
	<u> </u>	<u> </u>

4. FINANCE COSTS

	Six months ended	
	30 June	
	2003	2002
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans	7,709	8,658
	<u> </u>	<u> </u>

5. TAX

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended	
	30 June	
	2003	2002
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of tax attributable to an associate:		
Elsewhere	697	117
	<u> </u>	<u> </u>

Deferred taxation in respect of the temporary differences and unused tax losses for the periods has not been recognized as the temporary differences are not material and it is not probable that future taxable profits will be available for offsetting the unused tax losses.

6. BASIC LOSS PER SHARE

The calculation of basic loss per share is based on the net loss attributable to shareholders for the period of HK\$4,021,000 (2002: HK\$12,684,000) and the weighted average number of 1,492,418,655 (2002: 1,001,001,819) ordinary shares in issue during the period.

The fully diluted loss per share is not shown for both periods because the effect of any dilution is anti-dilutive.

7. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2003 (2002: Nil).

8. FIXED ASSETS

	<i>(Unaudited)</i> HK\$'000
At 1 January 2003	1,307,577
Additions	213
Disposal	(7)
Depreciation	(944)
	<hr/>
At 30 June 2003	<u>1,306,839</u>

9. OTHER LONG TERM ASSETS

	30 June 2003 <i>(Unaudited)</i> HK\$'000	31 December 2002 <i>(Audited)</i> HK\$'000
Unlisted equity investments, at cost	6,626	6,626
Less: Provision for impairment	(3,348)	(2,574)
	<hr/>	<hr/>
	3,278	4,052
	<hr/>	<hr/>
Loans receivable	54	6,707
Less: Provision for impairment	–	(3,650)
Less: Loans receivable classified as current assets – note 11	(30)	(3,017)
	<hr/>	<hr/>
	24	40
	<hr/>	<hr/>
Unlisted debentures, at cost	1,110	1,110
	<hr/>	<hr/>
	4,412	5,202
	<hr/> <hr/>	<hr/> <hr/>

10. PROPERTIES HELD FOR SALE

	<i>(Unaudited)</i> <i>HK\$'000</i>
At 1 January 2003	77,203
Additions	45
Disposal	<u>(5,306)</u>
At 30 June 2002	<u><u>71,942</u></u>

11. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	30 June 2003 <i>(Unaudited)</i> <i>HK\$'000</i>	31 December 2002 <i>(Audited)</i> <i>HK\$'000</i>
Current	1,998	603
1-3 months	251	217
4-6 months	4	9
7-12 months	<u>15</u>	<u>-</u>
	2,268	829
Prepayments	1,019	791
Loan receivables – note 9	30	3,017
Tax reserve certificate	14,449	14,449
Deposits and other debtors	3,050	2,970
Retention money receivable	<u>338</u>	<u>338</u>
	<u><u>21,154</u></u>	<u><u>22,394</u></u>

The Group's trade receivables are normally invoiced with credit terms of 30 to 60 days of issuance.

12. OTHER CURRENT ASSETS

	30 June 2003 <i>(Unaudited)</i> <i>HK\$'000</i>	31 December 2002 <i>(Audited)</i> <i>HK\$'000</i>
Short term investments	75	60
Construction contracts	595	946
Tax recoverable	<u>66</u>	<u>66</u>
	<u><u>736</u></u>	<u><u>1,072</u></u>

13. TRADE AND OTHER PAYABLES

Details of trade and other payables are as follows:

	30 June 2003	31 December 2002
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	364	433
1-3 months	64	114
4-6 months	10	11
7-12 months	78	-
Over 1 year	1,941	2,298
	<hr/>	<hr/>
	2,457	2,856
Accruals	3,401	4,672
Deposits received	5,489	6,797
Retention money payables	6,181	6,563
Other liabilities	4,677	4,382
	<hr/>	<hr/>
	22,205	25,270
	<hr/> <hr/>	<hr/> <hr/>

14. INTEREST-BEARING BANK LOANS

	30 June 2003	31 December 2002
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank loans, secured	564,139	559,645
Less: Portion classified as current liabilities	(41,128)	(41,386)
	<hr/>	<hr/>
Long term portion	523,011	518,259
	<hr/> <hr/>	<hr/> <hr/>
Bank loans are repayable:		
Within one year	41,128	41,386
In the second year	103,771	81,956
In the third to fifth years, inclusive	319,873	331,065
Beyond five years	99,367	105,238
	<hr/>	<hr/>
	564,139	559,645
	<hr/> <hr/>	<hr/> <hr/>

15. SHARE CAPITAL

	30 June 2003 <i>(Unaudited)</i> <i>HK\$'000</i>	31 December 2002 <i>(Audited)</i> <i>HK\$'000</i>
Authorised:		
2,000,000,000 ordinary shares of HK\$0.05 each	100,000	100,000
Issued and fully paid:		
1,492,410,986 (2002:1,492,611,986) ordinary shares of HK\$0.05 each	74,621	74,631

During the period, the Company repurchased a total of 201,000 of its shares on the Stock Exchange of Hong Kong Limited at a total consideration of HK\$30,650 all of which were cancelled accordingly. The shares were repurchased in January 2003. The highest and lowest price per share paid were HK\$0.155 and HK\$0.150 respectively.

As at 30 June 2003, the Company had 120 million outstanding share options which were granted to directors of the Company to subscribe in cash for fully paid ordinary shares of the Company at HK\$0.268 per share at any time on or before 10 July 2004. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 120,000,000 additional ordinary shares for gross proceeds of HK\$32,160,000.

16. RESERVES

	At 1 January 2003 <i>(Audited)</i> <i>HK\$'000</i>	Share repurchase <i>(Unaudited)</i> <i>HK\$'000</i>	Exchange realignment <i>(Unaudited)</i> <i>HK\$'000</i>	Net loss for the period <i>(Unaudited)</i> <i>HK\$'000</i>	Share of movements in reserves of an associate <i>(Unaudited)</i> <i>HK\$'000</i>	At 30 June 2003 <i>(Unaudited)</i> <i>HK\$'000</i>
Share premium	196,895	(22)	-	-	-	196,873
Capital redemption reserve	111	10	-	-	-	121
Contributed surplus	618,108	(10)	-	-	-	618,098
Investment property revaluation reserve	713,890	-	-	-	-	713,890
Capital reserve	145,548	-	-	-	7	145,555
Exchange fluctuation reserve	(159,980)	-	(6,236)	-	401	(165,815)
Accumulated losses	(330,384)	-	-	(4,021)	-	(334,405)
Total	1,184,188	(22)	(6,236)	(4,021)	408	1,174,317

17. CONTINGENT LIABILITIES

- (a) As at 30 June 2003, the Company had given unconditional guarantees to banks to secure loan facilities available to subsidiaries to the extent of approximately HK\$630.1 million (31 December 2002: HK\$643.0 million). The extent of such facilities utilised by the subsidiaries amounted to approximately HK\$564.1 million (31 December 2002: HK\$560.0 million).
- (b) As at 30 June 2003, the Group had given corporate guarantees to banks for issuing letters of indemnity to a third party in respect of contracts undertaken by certain subsidiaries, and to indemnify the repayment of certain mortgage loans. The total amount of the guarantees was approximately HK\$10.5million (31 December 2002: HK\$10.5 million).

18. OPERATING LEASE ARRANGEMENTS

(a) *As lessor*

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to two years. The terms of the leases generally also require the tenants to pay security deposits. As at 30 June 2003, the Group had total future minimum lease receivables under non-cancelable operating leases with its tenants falling due as follows:

	30 June 2003	31 December 2002
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	13,518	14,405
In the second to fifth years, inclusive	260	607
	<u>13,778</u>	<u>15,012</u>

(b) *As lessee*

The Group leases certain of its properties and furniture under operating lease arrangements. Leases for properties are negotiated for terms of 2 years and those for furniture for terms of 1 year.

As at 30 June 2003, the Group had total future minimum lease payments under non-cancelable operating leases falling due as follows:

	30 June 2003	31 December 2002
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	153	120
In the second to fifth years, inclusive	10	70
	<u>163</u>	<u>190</u>

19. COMMITMENTS

As at 30 June 2003, the Group had the following commitments:

	30 June 2003 <i>(Unaudited)</i> <i>HK\$'000</i>	31 December 2002 <i>(Audited)</i> <i>HK\$'000</i>
Capital commitments contracted for	1,170	1,249

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS AND FUTURE PROSPECTS

During the period, the Group continues to engage in property related businesses and provision of horticultural services. The decrease in turnover was due to the decrease in rental income and revenue from property development.

The Group recorded net loss of approximately HK\$4.0 million in 2003 which represented a decrease of approximately 68.3% from 2002. The decrease in loss was mainly attributable to the share of profit of an associate and the decrease in operating and administrative expenses.

The net asset value of the Group per share as at 30 June 2003 was approximately HK\$0.84 based on the 1,492,410,986 shares issued.

The Group will invest in areas which will enhance its asset value by constantly assessing its particular market segment and re-positioning and upgrading its properties where appropriate.

LIQUIDITY AND FINANCIAL RESOURCES

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report. The Group has no exposure to foreign exchange rate fluctuations except for the interest in an associate in Singapore which is held as long term investment. The Group's borrowings are denominated in Hong Kong dollars and arranged on a floating rate basis.

The Group's working capital requirements are met by recurring cash flows from the investment properties portfolios and committed undrawn credit facilities. Majority of the Group's borrowings matures in or after 2006. As at 30 June 2003, the outstanding bank loan amounted approximately HK\$564.1 million. These loan facilities were secured by the Group's investment properties. The end of period gearing ratio based on bank loans less cash and bank balances to shareholders' funds including minority interests remained at approximately 44% (31 December 2002: 44%). The Company has provided guarantees in respect of bank facilities made available to subsidiaries totaling approximately HK\$630.1 million.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

At 30 June 2003, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

(i) Ordinary shares of the Company

Name of director	Number of shares			Percentage of outstanding shares
	Corporate Interests	Family interests	Total interests	
Cheong Pin Chuan, Patrick	602,645,787	3,047,000	605,692,787	41
Cheong Kim Pong	602,645,787	–	602,645,787	40
Cheong Pin Seng	602,645,787	–	602,645,787	40
Cheong Sim Eng	602,645,787	–	602,645,787	40
Lim Ghee	602,645,787	–	602,645,787	40

Note: These directors are deemed to have corporate interests in the shares in the Company by virtue of their beneficial interests in the shares in Hong Fok Corporation Limited, a substantial shareholder of the Company.

(ii) Options to subscribe for ordinary shares of the Company

Name of director	Number of share options at 1 January and 30 June 2003	Exercise period	Exercise price HK\$
Cheong Pin Chuan, Patrick	30,000,000	3 January 2000 to 10 July 2004	0.268
Cheong Kim Pong	30,000,000	3 January 2000 to 10 July 2004	0.268
Cheong Pin Seng	30,000,000	3 January 2000 to 10 July 2004	0.268
Cheong Sim Eng	30,000,000	3 January 2000 to 10 July 2004	0.268
	120,000,000		

The above share options were granted on 3 January 2000.

(iii) Shares of an associated corporation – Hong Fok Corporation Limited (“HFC”)

Name of director	Corporate Interests <i>Note (a)</i>	Number of shares			Total interests	Percentage of outstanding shares
		Personal interests	Family interests	Other interests <i>Note (b)</i>		
Cheong Pin Chuan, Patrick	88,054,912	5,163,140	1,125,300	121,336,000	215,679,352	35.97
Cheong Kim Pong	88,054,912	2,571,980	503,000	121,336,000	212,465,892	35.43
Cheong Pin Seng	88,048,312	2,752,376	101,200	121,336,000	212,237,888	35.40
Cheong Sim Eng	21,877,512	56,930,000	207,000	121,336,000	200,350,512	33.41
Lim Ghee	–	6,619,092	–	121,336,000	127,955,092	21.34

Notes:

- (a) These shares are beneficially held by a number of companies in which the directors have beneficial interests.
- (b) These shares are beneficially held by Winfoong Holding Limited, a wholly-owned subsidiary of the Company. The directors are deemed to have interests in the shares in HFC by virtue of their direct and indirect interests in the Company.

Save as disclosed above, at 30 June 2003, none of the directors, chief executive of the Company had any other interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Apart from the foregoing, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors 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, and no directors or chief executives or their respective spouses or children under 18 years of age had been granted any rights to subscribe for equity or debt securities of the Company nor exercised any such right.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2003, the interest or a short position of every person (not being a director or a chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or otherwise notified to the Company were as follows:

Name	Notes	Number of shares held		%
		Direct	Indirect	
HFL International Consortium Limited (“HFL”)		555,202,784	–	37
Hong Fok Enterprises Limited (“HFE”)	(i)	–	555,202,784	37
Hong Fok Investment Holding Company, Limited (“HFIH”)	(ii)	47,443,003	555,202,784	40
Hong Fok Corporation Limited (“HFC”)	(iii)	–	602,645,787	40
Barragan Trading Corp.		285,312,566	–	19
Praise Time Co Limited		136,000,000	–	9

Notes:

- (i) HFE was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFL, did in the issued share capital of the Company by virtue of HFE's interest in HFL.
- (ii) HFIH was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFE, did in the issued share capital of the Company by virtue of HFIH's interest in HFE. In addition, HFIH was directly interested in approximately 3.0% of the issued share capital of the Company.
- (iii) HFC was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFIH, did in the issued share capital of the Company by virtue of HFC's interests in HFIH.

Save as disclosed above, as at 30 June 2003, the directors are not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO.

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

During the period, the Company repurchased and cancelled certain of its shares on the Stock Exchange of Hong Kong Limited. Further details of the transactions are set out in note 15 to the condensed consolidated financial statements.

CODE OF BEST PRACTICE

The directors are not aware of any information that would reasonably indicate that the Company is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules for any part of the accounting period covered by the interim report.

ON BEHALF OF THE BOARD

Patrick Cheong
Chairman

Hong Kong
29 August 2003