

Tristate Holdings Limited

(Incorporated in Bermuda with limited liability)

Interim Report of the Directors to Shareholders for the six months ended 30th June 2003

RESULTS

The Directors of Tristate Holdings Limited (the “Company”) are pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the six months ended 30th June 2003 together with comparative figures for the corresponding period in the previous year:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNTS

For the six months ended 30th June 2003

		Unaudited Six Months Ended	
	Note	30th June 2003	(Restated*) 30th June 2002
		HK\$'000	HK\$'000
TURNOVER	3	1,210,826	822,617
COST OF SALES		<u>(995,782)</u>	<u>(659,126)</u>
GROSS PROFIT		215,044	163,491
SELLING AND DISTRIBUTION EXPENSES		(112,129)	(71,621)
GENERAL AND ADMINISTRATIVE EXPENSES		(135,871)	(114,180)
ADJUSTMENT TO 2002 INVENTORY BALANCE	2	(14,476)	–
OTHER INCOME, NET		<u>11,462</u>	<u>1,276</u>
LOSS FROM OPERATIONS	3	(35,970)	(21,034)
FINANCE COSTS		<u>(1,963)</u>	<u>(331)</u>
		(37,933)	(21,365)
SHARE OF LOSS FROM ASSOCIATES		<u>(6,132)</u>	<u>(2,392)</u>
LOSS BEFORE TAXATION AND MINORITY INTERESTS		(44,065)	(23,757)
TAXATION	5	<u>240</u>	<u>(3,875)</u>
LOSS BEFORE MINORITY INTERESTS		(43,825)	(27,632)
MINORITY INTERESTS		<u>(686)</u>	<u>445</u>
LOSS ATTRIBUTABLE TO SHAREHOLDERS		<u>(44,511)</u>	<u>(27,187)</u>
BASIC LOSS PER SHARE	6	HK\$(0.17)	HK\$(0.10)
DILUTED LOSS PER SHARE	6	HK\$(0.17)	HK\$(0.10)
INTERIM DIVIDEND PROPOSED PER SHARE	7	HK\$ –	HK\$ –

* Restated for income tax effects in accordance with SSAP12 (Revised) issued by the Hong Kong Society of Accountants.