

10. Share capital

	Ordinary shares of HK\$0.10 each	
	Number of shares	HK\$'000
Authorised:		
At 1st April 2003 and 30th September 2003	<u>2,000,000,000</u>	<u>200,000</u>
Issued and fully paid:		
At 1st April 2003 and 30th September 2003	<u>1,286,482,836</u>	<u>128,648</u>

11. Related party transactions

Except for the transactions noted below, the Group has not been a party to any material related party transactions during the period:

- a. On 20th June 2003, the Group completed an extensive reorganisation, details of which are set out in the Company's circular dated 10th April 2003 and the composite offer document issued jointly by the Company and Mexan Group Limited on 30th June 2003, which included the cancellation and distribution of the share premium and a portion of the retained earnings of the Company amounting to approximately HK\$1,187 million (see Note 5).
- b. On 23rd September 2003, the Group purchased certain motor vehicles from Mexan International Limited ("MIL"), which is partly owned by a director of the Company at an aggregate consideration of HK\$390,000.
- c. On 30th September 2003, the Group also entered into a tenancy agreement with MIL for renting of office premises, certain furniture and fixtures and car parks effective from 1st October 2003, details of which are set out in the Company's announcement dated 2nd October 2003.

12. Subsequent event

On 20th October 2003, the Group entered into the agreements with an independent third party to purchase a hotel property at a consideration of HK\$660 million, details of which are set out in the Company's circular dated 3rd November 2003. As at the date of this report, HK\$280 million of the consideration has been settled in cash and by the issue of new shares and convertible notes by the Company.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30th September 2003 (2002: Nil).