

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

1. Basic of preparation and significant accounting policies

The unaudited interim financial statements have been prepared in accordance with Statement of Standard Accounting Practice ("SSAP") No. 25 (Revised) "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The Group has adopted the SSAP No.12 "Income Taxes" commencing on 1st April, 2003. Except that change, the accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st March, 2003.

Under the SSAP 12, deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases respectively. Deferred tax assets also arise from unused tax losses and unused tax credits. Deferred tax liabilities are generally provided in full on all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

This change in accounting policy does not have a material impact on the Group's results and net assets for the current or prior periods, therefore the opening balances have not been restated.

2. Segment information

i. Business segment

Six months ended on 30th September (Unaudited)

	Property development and investment		Manufacturing and trading of plastic packaging material		Stock broking and finance		Eliminations		Consolidated	
	2003 HK\$	2002 HK\$	2003 HK\$	2002 HK\$	2003 HK\$	2002 HK\$	2003 HK\$	2002 HK\$	2003 HK\$	2002 HK\$
Turnover										
External sales	8,103,019	9,696,979	83,560,714	72,395,624	11,182,991	6,909,947	-	-	102,846,724	89,002,550
Inter-segment sales	882,598	876,076	-	-	-	-	(882,598)	(876,076)	-	-
Total revenue	8,985,617	10,573,055	83,560,714	72,395,624	11,182,991	6,909,947	(882,598)	(876,076)	102,846,724	89,002,550
Segment result	1,065,754	3,585,859	9,226,535	11,534,578	11,866,670	(2,651,851)			22,158,959	12,468,586
Finance costs									(2,317,311)	(3,147,690)
Share of net profits (loss) of associates	44,107	137,695	82,206	(1,085,694)	-	-			126,313	(947,999)
Profit from ordinary activities before taxation									19,967,961	8,372,897
Taxation	-	-	-	(78,017)	(585,670)	(10,990)			(385,670)	(89,007)
Profit from ordinary activities after taxation									19,582,291	8,283,890
Minority interests	-	-	(411,864)	(581,320)	(15,318)	(14,426)			(427,182)	(595,746)
Profit attributable to shareholders for the period									18,955,109	7,688,144
Segment assets	316,779,497	325,087,370	149,179,604	131,118,829	212,717,734	114,447,655			678,676,835	570,653,854
Interest in associates	16,877,693	18,258,920	12,000,498	13,824,082	-	-			28,878,191	32,083,002
Unallocated corporate assets									6,475,889	6,475,889
Total assets	333,657,190	343,346,290	161,180,102	144,942,911	212,717,734	114,447,655			714,030,915	609,212,745
Segment liabilities	35,482,934	35,550,640	14,055,650	13,275,168	143,415,753	31,249,425			192,954,337	80,075,233
Unallocated liabilities									105,118,003	129,464,268
Consolidated total liabilities									298,072,340	209,539,501
Minority interests	-	-	5,344,407	5,072,969	1,555,004	1,543,123			6,899,411	6,616,092
Depreciation for the period	233,892	254,760	2,433,905	2,186,678	139,689	166,336			2,807,486	2,607,774
Capital expenditure incurred during the period	146,806	496,473	5,464,638	5,283,240	86,428	69,060			5,697,872	5,848,773

2. Segment information (continued)

ii. Geographical segment

	Turnover	
	Six months ended	
	30th September,	
	2003	2002
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Hong Kong	23,834,317	20,707,632
Mainland China	993,306	679,969
North America	28,610,552	26,610,631
Europe	14,317,117	13,788,626
Australia	13,847,157	11,778,249
Asia	21,244,275	15,437,443
	<u>102,846,724</u>	<u>89,002,550</u>

	Carrying amount of		Additions to property,	
	Segment assets		plant, equipment	
	Six months ended		Six months ended	
	30th September,		30th September,	
	2003	2002	2003	2002
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$	HK\$	HK\$	HK\$
Hong Kong	467,909,993	401,474,794	414,541	1,140,898
Mainland China	200,842,954	155,674,976	5,283,331	4,707,875
North America	2,516,161	4,295,361	-	-
Europe	1,599,372	3,185,633	-	-
Australia	3,940,839	3,351,392	-	-
Asia	1,914,767	2,671,698	-	-
	<u>678,724,086</u>	<u>570,653,854</u>	<u>5,697,872</u>	<u>5,848,773</u>

3. Turnover

	Six months ended 30th September,	
	2003 (Unaudited) HK\$	2002 (Unaudited) HK\$
Sale of goods	83,560,714	72,395,624
Gross rental income	7,043,121	8,258,238
Brokerage commission	10,117,998	6,203,997
Guest house income	1,059,898	1,438,741
Gains on foreign exchange dealings	216,363	224,874
Dividend income	848,630	481,076
	<u>102,846,724</u>	<u>89,002,550</u>

4. Other revenues (expenses)

	Six months ended 30th September,	
	2003 (Unaudited) HK\$	2002 (Unaudited) HK\$
Interest income	1,296,833	2,000,287
Other income	919,854	1,251,932
Unrealised holding gain (loss) on other investments	3,249,138	(4,000,630)
Exchange gains	–	54,424
Profit on disposals of other investments	5,521,809	–
	<u>10,987,634</u>	<u>(693,987)</u>

5. Profit from operations

	Six months ended 30th September,	
	2003 (Unaudited) HK\$	2002 (Unaudited) HK\$
Profit from operations is arrived at after charging:		
Cost of inventories sold	53,336,489	42,487,367
Exchange loss	577,700	–
Bad debts provision and written off	245,168	289,828
Loss on disposal of property, plant and equipment	114,525	211,532
Staff cost (including directors' remuneration)	17,097,135	15,626,424
Operating lease rental in respect of land and buildings	796,432	919,464
Depreciation	<u>2,807,486</u>	<u>2,607,774</u>
and after crediting:		
Gross rental income from investment properties	7,043,121	8,258,238
Less: outgoings	(67,949)	(60,057)
Net rental income	<u>6,975,172</u>	<u>8,198,181</u>

6. Finance costs

	Six months ended 30th September,	
	2003 (Unaudited) HK\$	2002 (Unaudited) HK\$
Interest on:		
Bank loans and overdrafts wholly repayable within five years	1,742,109	2,873,104
Other borrowings	275,115	16,911
Bank charges	300,087	257,675
	<u>2,317,311</u>	<u>3,147,690</u>

7. Taxation

	Six months ended 30th September,	
	2003 (Unaudited) HK\$	2002 (Unaudited) HK\$
Company and subsidiaries		
Hong Kong Profits tax	585,670	10,990
Deferred taxation	-	-
	<hr/> 585,670 <hr/>	<hr/> 10,990 <hr/>
Share of taxation attributable to associates		
Hong Kong Profits tax	-	25,050
Overseas Profits tax	-	52,967
	<hr/> - <hr/>	<hr/> 78,017 <hr/>
	<hr/> 585,607 <hr/>	<hr/> 89,007 <hr/>

Hong Kong Profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profits arising in Hong Kong for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the associates operate.

8. Earnings per share

The calculation of the earnings per share is based on the profit attributable to Shareholders of HK\$18,955,109 (2002: HK\$7,688,144) and ordinary shares in issue of 197,653,500.

9. Trade and other receivables

The Group allows an average credit period of 30 days to 90 days to its trade customers. The ageing analysis of trade receivables was as follows:

	30th September, 2003 (Unaudited) HK\$	31st March, 2003 (Audited) HK\$
0-1 month	119,725,248	71,757,429
2-3 months	5,003,276	5,602,986
Over 3 months	<u>28,868,582</u>	<u>40,014,775</u>
	153,597,106	117,375,190
Less: provision for bad debts	<u>(5,358,770)</u>	<u>(7,935,481)</u>
	<u><u>148,238,336</u></u>	<u><u>109,439,709</u></u>

10. Trade and other payables

The ageing analysis of trade and other payables was as follows:

	30th September, 2003 (Unaudited) HK\$	31st March, 2003 (Audited) HK\$
0-1 month	167,858,926	68,114,618
2-3 months	3,480,103	1,169,870
Over 3 months	<u>17,737,340</u>	<u>17,157,413</u>
	189,076,369	86,441,901
	<u><u>189,076,369</u></u>	<u><u>86,441,901</u></u>

11. Borrowings

	30th September, 2003 (Unaudited) HK\$	31st March, 2003 (Audited) HK\$
Secure bank overdrafts	12,367,509	15,482,534
Secured bank loans	92,750,496	93,994,701
	<u>105,118,005</u>	<u>109,477,235</u>
Secured bank loans and overdrafts repayable:		
Within one year	84,442,771	84,671,338
More than one year but not exceeding two years	12,405,234	11,911,583
More than two years but not exceeding five years	8,270,000	12,894,314
	<u>105,118,005</u>	<u>109,477,235</u>

12. Share capital

	30th September, 2003 (Unaudited) HK\$	31st March, 2003 (Audited) HK\$
Authorized:		
200,000,000 shares of HK\$1.00 each	<u>200,000,000</u>	<u>200,000,000</u>
Issued and fully paid:		
197,653,500 (2003: 197,653,500) shares of HK\$1.00 each	<u>197,653,500</u>	<u>197,653,500</u>

13. Commitments

As at 30th September, 2003, the Group had commitments under non-cancellable operating leases in respect of land and buildings to make payment in the following periods as follows:

	30th September, 2003 (Unaudited) HK\$	31st March, 2003 (Audited) HK\$
Within one year	1,395,354	1,823,987
In the second to fifth year inclusive	673,741	1,381,742
	<u>2,069,095</u>	<u>3,205,729</u>

14. Future rental incomes

As at 30th September, 2003, the total future rental incomes receivable under non-cancellable operating leases are analysed as follows:

	30th September, 2003 (Unaudited) HK\$	31st March, 2003 (Audited) HK\$
Within one year	10,285,729	11,060,884
More than one year but not exceeding five years	5,763,300	4,788,542
	<u>16,049,029</u>	<u>15,849,426</u>

15. Pledge of assets

As at 30th September, 2003, the Group had the following assets to banks to secure general banking facilities granted to the Group.

	30th September, 2003 (Unaudited) HK\$	31st March, 2003 (Audited) HK\$
Investment properties in Hong Kong at valuation	235,500,000	235,500,000
Land & building in Hong Kong at net book value	731,167	739,317
Other investments at market value	6,492,750	14,006,250
Time deposits	13,683,897	14,684,804
	<u>256,407,814</u>	<u>264,930,371</u>
Margin clients' Hong Kong listed shares, at market value	<u>24,418,500</u>	<u>14,952,750</u>

16. Contingent liabilities

	30th September, 2003 (Unaudited) HK\$	31st March, 2003 (Audited) HK\$
Bills discounted with recourse	10,047,773	7,909,439
Guarantees issued to banks in respect of:		
– bank facilities granted to associates	6,810,000	6,810,000
– mortgage loans granted to purchasers of trading properties	9,257,000	9,257,000
	<u>9,257,000</u>	<u>9,257,000</u>

17. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

18. The unaudited interim accounts for the six months ended 30th September, 2003 have been reviewed by the Audit Committee of the Company.