



Wing On Travel (Holdings) Limited
永安旅遊(控股)有限公司
(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

中期報告
Interim Report
2004



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Corporate Information 公司資料

Directors

Chairman

Mr. Yu Kam Kee, Lawrence, *M.B.E., J.P.*

Managing Director

Mr. Cheung Hon Kit

Executive Directors

Dr. Chan Kwok Keung, Charles

Dr. Yap, Allan

Mr. Chan Pak Cheung, Natalis

Mr. Lui Siu Tsuen, Richard

Ms. Luk Yee Lin, Ellen

Non-Executive Directors

Mr. Chan Yeuk Wai (*Honorary Chairman*)

Mr. Fok Kin-ning, Canning

Ms. Shih, Edith (*alternate to*

Mr. Fok Kin-ning, Canning)

Independent Non-Executive Directors

Mr. Kwok Ka Lap, Alva

Mr. Sin Chi Fai

Company Secretary

Ms. Kam Yiu Sai, Florence

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal Place of Business

7th Floor

Paul Y. Centre

51 Hung To Road

Kwun Tong

Kowloon, Hong Kong

Auditors

Deloitte Touche Tohmatsu

Certified Public Accountants

26th Floor

Wing On Centre

111 Connaught Road Central

Hong Kong

Principal Share Registrars

Butterfield Fund Services (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke

Bermuda

Hong Kong Branch Share Registrars

Secretaries Limited

G/F., Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

董事

主席

余錦基先生 *M.B.E.勳銜，太平紳士*

董事總經理

張漢傑先生

執行董事

陳國強博士

Yap, Allan 博士

陳百祥先生

呂兆泉先生

陸綺蓮女士

非執行董事

陳若偉先生 (*榮譽主席*)

霍建寧先生

施熙德女士 (*霍建寧先生之替任董事*)

獨立非執行董事

郭嘉立先生

冼志輝先生

公司秘書

甘瑤斯女士

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

總辦事處及主要營業地點

香港九龍

觀塘

鴻圖道 51 號

保華企業中心

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執業會計師

香港

干諾道中 111 號

永安中心

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主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke

Bermuda

香港股份過戶登記分處

秘書商業服務有限公司

香港

灣仔

告士打道 56 號

東亞銀行港灣中心地下

Interim Results

中期業績

The Board of Directors (the "Board") of Wing On Travel (Holdings) Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2004 together with comparative figures for the corresponding period in 2003 as follows:

永安旅遊(控股)有限公司(「本公司」)之董事會(「董事會」)欣然宣布本公司及其附屬公司(統稱「本集團」)截至二零零四年六月三十日止六個月之未經審核業績,連同截至二零零三年同期之比較數字載列如下:

Condensed Consolidated Income Statement

For the six months ended 30 June 2004

簡明綜合收益表

截至二零零四年六月三十日止六個月

	NOTES	Six months ended	
		30.6.2004 HK\$'000 (Unaudited) 截至二零零四年 六月三十日 止六個月 千港元 (未經審核)	30.6.2003 HK\$'000 (Unaudited) 截至二零零三年 六月三十日 止六個月 千港元 (未經審核)
Turnover		814,139	553,709
Direct operating costs		(676,997)	(488,774)
Gross profit		137,142	64,935
Other operating income		8,836	6,303
Distribution costs		(19,613)	(10,460)
Administrative expenses		(102,500)	(91,322)
Allowance for irrecoverable trade debts		(1,262)	-
Release of negative goodwill (amortisation of goodwill) arising on acquisition of subsidiaries		1,042	(331)
Net unrealised holding gain (loss) on other investments		27	(1,870)
Impairment loss recognised in respect of leasehold land and buildings		-	(28,050)
Loss on disposal of other investments		-	(465)
Profit (loss) from operations		23,672	(61,260)
Finance costs		(28,547)	(11,161)
Share of results of associates		(181)	(95,877)
Gain on disposal of associates	5	37,924	-
Profit (loss) before taxation		32,868	(168,298)
Taxation (charge) credit	6	(8)	1,884
Profit (loss) before minority interests		32,860	(166,414)
Minority interests		93	-
Net profit (loss) for the period		32,953	(166,414)
Earnings (loss) per share			
- Basic	7	0.18 cents 仙	(0.91) cents 仙
- Diluted		0.14 cents 仙	N/A 不適用

Condensed Consolidated Balance Sheet

At 30 June 2004

簡明綜合資產負債表

於二零零四年六月三十日

		At 30.6.2004 HK\$'000 (unaudited) 於二零零四年 六月三十日 千港元 (未經審核)	At 31.12.2003 HK\$'000 (audited) 於二零零三年 十二月三十一日 千港元 (經審核)
	NOTES		
	附註		
Non-current assets			
Property, plant and equipment	9	1,743,145	70,213
Investment property		1,400	1,400
Interests in associates	10	2,926	221,467
Other long term investments		70,688	70,500
Investments in securities		99,258	99,258
Club debenture		713	-
Negative goodwill	11	(82,324)	-
		1,835,806	462,838
Current assets			
Properties held for sale		98	-
Inventories		6,345	667
Amounts due from related companies		3,084	2,928
Amounts due from associates		56	11,732
Receivables and deposits	12	399,067	350,838
Consideration receivable on disposal of an associate and interest in a co-operative joint venture		98,395	108,000
Loan receivables		77,800	54,950
Investments in securities		2,897	2,847
Tax recoverable		23	36
Pledged bank deposits		6,800	390
Trading cash balances		326	416
Bank balances and cash		122,331	111,709
		717,222	644,513
Current liabilities			
Trade and other payables	13	239,791	239,191
Loans from related companies			
– amount due within one year	14	58,000	8,000
Amounts due to associates		8,425	12,134
Amounts due to related companies		14,805	13,009
Obligations under a finance lease			
– amount due within one year		615	-
Borrowings – amount due within one year		135,310	28,230
Convertible notes	15	-	254,125
		456,946	554,689
Net current assets		260,276	89,824
Total assets less current liabilities		2,096,082	552,662
Minority interests		321,120	29,778

Condensed Consolidated Balance Sheet

At 30 June 2004

簡明綜合資產負債表

於二零零四年六月三十日

			At 30.6.2004 HK\$'000 (unaudited) 於二零零四年 六月三十日 千港元 (未經審核)	At 31.12.2003 HK\$'000 (audited) 於二零零三年 十二月三十一日 千港元 (經審核)
	NOTES			
	附註			
Non-current liabilities		非流動負債		
Loans from related companies		關連公司貸款		
– amount due after one year	14	– 一年後到期款項	357,019	223,312
Borrowings – amount due after one year		借貸 – 一年後到期款項	234,790	6,251
Deferred taxation		遞延稅項	232,450	–
Convertible notes	15	可換股票據	260,000	–
Promissory note	16	承兌票據	365,000	–
			1,449,259	229,563
Net assets		資產淨值	325,703	293,321
Capital and reserves		資本及儲備		
Share capital		股本	183,167	183,167
Reserves		儲備	142,536	110,154
Shareholders' funds		股東資金	325,703	293,321

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2004

簡明綜合股東權益變動表

截至二零零四年六月三十日止六個月

		Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Investment property revaluation reserve HK\$'000 投資物業 重估儲備 千港元	Goodwill reserve HK\$'000 商譽儲備 千港元	Translation reserve HK\$'000 滙兌儲備 千港元	Statutory reserves HK\$'000 法定儲備 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Total HK\$'000 合計 千港元
At 1 January 2003	於二零零三年一月一日	183,167	1,019,606	55,554	573	(9,767)	(111)	150	(594,596)	654,576
Surplus arising from revaluation of investment property	重估投資物業所產生之盈餘	-	-	-	163	-	-	-	-	163
Exchange difference arising on translation of financial statements of operations outside Hong Kong	換算海外公司財務報表時產生之滙兌差額	-	-	-	-	-	(286)	-	-	(286)
Share of reserves of an associate	應佔一間聯營公司儲備	-	-	-	-	-	73	-	-	73
Transfer to investments in securities on reclassification of investments	重新分類投資時轉撥至證券投資	-	-	-	-	9,767	-	-	-	9,767
Net loss for the year	本年度虧損淨額	-	-	-	-	-	-	-	(370,972)	(370,972)
At 31 December 2003 and 1 January 2004	於二零零三年十二月三十一日及二零零四年一月一日	183,167	1,019,606	55,554	736	-	(324)	150	(965,568)	293,321
Exchange difference arising on translation of financial statements of operations outside Hong Kong	換算海外公司財務報表時產生之滙兌差額	-	-	-	-	-	(571)	-	-	(571)
Net profit for the period	本期間溢利淨額	-	-	-	-	-	-	-	32,953	32,953
At 30 June 2004	於二零零四年六月三十日	183,167	1,019,606	55,554	736	-	(895)	150	(932,615)	325,703
At 1 January 2003	於二零零三年一月一日	183,167	1,019,606	55,554	573	(9,767)	(111)	150	(594,596)	654,576
Exchange difference arising on translation of financial statements of operations outside Hong Kong	換算海外公司財務報表時產生之滙兌差額	-	-	-	-	-	(29)	-	-	(29)
Share of reserves of an associate	應佔一間聯營公司儲備	-	-	-	-	-	39	-	-	39
Transfer to investments in securities on reclassification of investments	重新分類投資時轉撥至證券投資	-	-	-	-	9,767	-	-	-	9,767
Net loss for the period	本期間虧損淨額	-	-	-	-	-	-	-	(166,414)	(166,414)
At 30 June 2003	於二零零三年六月三十日	183,167	1,019,606	55,554	573	-	(101)	150	(761,010)	497,939

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2004

簡明綜合現金流量表

截至二零零四年六月三十日止六個月

		Six months ended	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
		截至二零零四年	截至二零零三年
		六月三十日	六月三十日
		止六個月	止六個月
		千港元	千港元
		(未經審核)	(未經審核)
Net cash used in operating activities	用於經營業務之現金淨額	(33,418)	(24,108)
Net cash used in investing activities	用於投資活動之現金淨額	(19,043)	(5,286)
Net cash from financing activities	融資活動所得之現金淨額	63,654	20,030
Net increase (decrease) in cash and cash equivalents	現金及現金等值項目之增加(減少)淨額	11,193	(9,364)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值項目	111,709	53,793
Effect on foreign exchange rate changes	外幣匯率變動之影響	(571)	(39)
Cash and cash equivalents at end of the period	期末之現金及現金等值項目	122,331	44,390
Analysis of the balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Bank balances and cash	銀行結餘及現金	122,331	44,390

Notes to the Condensed Financial Statements

For the six months ended 30 June 2004

簡明財務報表附註

截至二零零四年六月三十日止六個月

I. GENERAL AND BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the Statement of Standard Accounting Practice No. 25 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants and with the applicable disclosure requirements of Appendix I6 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Following the closing of cash offer of shares in Apex Quality Group Limited (“Apex”) (details of the cash offer have been disclosed in the circular dated 19 December 2003 to shareholders of the Company), a then 49.6% owned associate of the Group on 9 January 2004, the Group holds a 67.9% interest in Apex, whose financial statements have been accounted for on the basis of acquisition accounting. Apex and its subsidiaries are engaged in the business of provision of hotel and leisure services.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties and investments in securities.

I. 一般事項及編製基準

本簡明財務報表乃根據香港會計師公會頒布之會計實務準則第二十五號「中期財務報告」以及香港聯合交易所有限公司（「聯交所」）證券上市規則附錄十六適用之披露規則而編製。

隨著當時為本集團擁有49.6%權益之聯營公司Apex Quality Group Limited（「Apex」）之股份現金收購建議於二零零四年一月九日結束後（有關該收購建議之詳情已於日期為二零零三年十二月十九日之通函中向本公司股東披露），本集團現持有Apex之67.9%權益，而其財務報表已按收購會計法計入。Apex及其附屬公司乃從事提供酒店及休閒服務之業務。

2. 主要會計政策

本簡明財務報表乃根據歷史成本慣例編製，並已就若干物業及證券投資之重估價值作出調整。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

The accounting policies adopted in the preparation of the condensed financial statements are consistent with those followed in the preparation of the Group's annual audited financial statements for the year ended 31 December 2003 with the adoption of new accounting policy for its hotel properties as follows:

HOTEL PROPERTIES

Hotel properties are stated at cost less accumulated impairment loss. Cost comprises land costs, development costs, borrowing cost capitalised in accordance with the Group's accounting policy and other direct cost attributable to the property. No depreciation or amortisation is provided on hotel property. It is the Group's policy to maintain in a continual state of sound repair and maintenance and to extend and make improvements thereto from time to time, and accordingly the directors consider that given the estimated life of this asset any depreciation would be insignificant.

The gain or loss arising from disposal or retirement of hotel property is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

3. SEGMENT INFORMATION

BUSINESS SEGMENTS

During the period, for management purposes, the Group is organised into two operating divisions – travel and related services, and hotel and leisure services. During the year ended 31 December 2003, the Group was also engaged in the business of transportation services which was discontinued with effect from 31 October 2003. These divisions are the basis on which the Group reports its primary segment information for the respective periods.

2. 主要會計政策 (續)

編製本簡明財務報表所採用之會計政策與本集團編製截至二零零三年十二月三十一日止年度經審核年度財務報表所採用者一致，並就酒店物業而採納之新會計政策如下：

酒店物業

酒店物業按成本減累計減值虧損列賬。成本包括土地成本、發展成本、根據本集團之會計政策撥作資本之借貸成本，以及有關該物業應佔之其他直接成本。酒店物業不作折舊或攤銷準備。本集團之方針乃將該等資產一直維持於良好之維修保養狀況以及不時作出改善。因此，董事認為，根據該項資產之估計使用年期，不會有任何重大折舊。

酒店物業出售或廢置帶來之損益，乃指銷售收益與資產賬面值間之差額，並會在收益表確認。

3. 分類資料

業務分類

於期內，為方便管理起見，本集團已分為兩個業務部門，分別為旅遊及相關服務與酒店及休閒服務。於截至二零零三年十二月三十一日止年度，本集團亦從事客運服務業務，有關業務已於二零零三年十月三十一日起予以終止。該等部門乃本集團報告其各期間主要分類資料之基準。

Notes to the Condensed Financial Statements

For the six months ended 30 June 2004

簡明財務報表附註

截至二零零四年六月三十日止六個月

3. SEGMENT INFORMATION (Continued)

BUSINESS SEGMENTS (Continued)

Principal activities are as follows:

Six months ended 30 June 2004

Turnover	營業額
External sales	對外銷售
Inter-segment sales	類別間銷售
Total	合計
Inter-segment sales are charged at prevailing market price.	類別間銷售按適用市價扣除。
Results	業績
Segment results	分類業績
Interest income	利息收入
Release of negative goodwill arising on acquisition of subsidiaries	收購附屬公司產生之負商譽撥回
Net unrealised holding gain on other investments	持有其他投資之未變現收益淨額
Allowance for irrecoverable trade debts	不可收回貿易債項之撥備
Unallocated corporate expenses	未分配企業開支
Profit from operations	經營溢利
Finance costs	融資成本
Share of results of associates	應佔聯營公司之業績
Gain on disposal of associates	出售聯營公司之盈利
Profit before taxation	除稅前溢利
Taxation charge	稅項支出
Profit before minority interests	未計少數股東權益前溢利
Minority interests	少數股東權益
Net profit for the period	本期間溢利淨額

3. 分類資料 (續)

業務分類 (續)

主要業務活動如下：

截至二零零四年六月三十日止六個月

Travel and related services	Hotel and leisure services	Elimination	Consolidated
HK\$'000	HK\$'000	HK\$'000	HK\$'000
旅遊及相關服務 千港元	酒店及休閒服務 千港元	對銷 千港元	綜合 千港元
728,191	85,948	-	814,139
-	395	(395)	-
728,191	86,343	(395)	814,139
22,056	9,575	-	31,631
-	1,042	-	1,042
(1,262)	-	-	(1,262)
37,924	-	-	37,924
			32,868
			(8)
			32,860
			93
			32,953

3. SEGMENT INFORMATION (Continued)

BUSINESS SEGMENTS (Continued)

Six months ended 30 June 2003

		Continuing	Discontinued	Elimination	Consolidated
		operation	operation		
		持續業務	已終止業務		
		Travel and	Transportation		
		related services	services		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		旅遊及	客運服務	對銷	綜合
		相關服務	千港元	千港元	千港元
		千港元	千港元	千港元	千港元
Turnover	營業額				
External sales	對外銷售	489,205	64,504	-	553,709
Inter-segment sales	類別間銷售	-	3,061	(3,061)	-
Total	合計	489,205	67,565	(3,061)	553,709
Inter-segment sales are charged at prevailing market price.	類別間銷售按適用市價扣除。				
Results	業績				
Segment results	分類業績	1,128	(14,737)	-	(13,609)
Interest income	利息收入				542
Impairment loss recognised in respect of leasehold land and buildings	租賃土地及樓宇之已確認減值虧損	(28,050)	-	-	(28,050)
Amortisation of goodwill arising on acquisition of subsidiaries	收購附屬公司產生之商譽攤銷	-	(331)	-	(331)
Net unrealised holding loss on other investments	持有其他投資之未變現虧損淨額				(1,870)
Loss on disposal of other investments	出售其他投資之虧損				(465)
Unallocated corporate expenses	未分配企業開支				(17,477)
Loss from operations	經營虧損				(61,260)
Finance costs	融資成本				(11,161)
Share of results of associates	應佔聯營公司之業績	(95,877)	-	-	(95,877)
Loss before taxation	除稅前虧損				(168,298)
Taxation credit	稅項撥回				1,884
Net loss for the period	本期間虧損淨額				(166,414)

3. 分類資料 (續)

業務分類 (續)

截至二零零三年六月三十日止六個月

Notes to the Condensed Financial Statements

For the six months ended 30 June 2004

簡明財務報表附註

截至二零零四年六月三十日止六個月

4. DEPRECIATION

During the period, depreciation of HK\$13,846,000 (HK\$11,616,000 for the six months ended 30 June 2003) was provided in respect of the Group's property, plant and equipment.

5. GAIN ON DISPOSAL OF ASSOCIATES

4. 折舊

期內，有關本集團之物業、機器及設備之折舊為13,846,000港元（截至二零零三年六月三十日止六個月：11,616,000港元）。

5. 出售聯營公司之盈利

	Six months ended	
	30.6.2004	30.6.2003
	HK\$'000	HK\$'000
	截至二零零四年	截至二零零三年
	六月三十日	六月三十日
	止六個月	止六個月
	千港元	千港元
Gain on disposal of an associate holding an interest in a piece of land in Hong Kong acquired during the period	37,424	—
Gain on disposal of Heilongjiang Ananda Entertainment Company Limited	500	—
	37,924	—

6. TAXATION (CHARGE) CREDIT

6. 稅項(支出)撥回

		Six months ended	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		截至二零零四年 六月三十日 止六個月 千港元	截至二零零三年 六月三十日 止六個月 千港元
The (charge) credit comprises:	稅項(支出)撥回包括:		
The Company and subsidiaries	本公司及附屬公司		
Taxation in other jurisdictions	其他司法權區稅項	(8)	(12)
Deferred taxation	遞延稅項	-	1,533
		<u>(8)</u>	<u>1,521</u>
Share of taxation attributable to associates	應佔聯營公司之稅項		
Taxation in other jurisdictions	其他司法權區稅項	-	(44)
Deferred taxation	遞延稅項	-	407
		<u>-</u>	<u>363</u>
		<u>(8)</u>	<u>1,884</u>

No provision for Hong Kong Profits Tax has been made in either period as the Group did not have any assessable profit during the periods.

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

由於本集團於所述期內並無賺取任何應課稅溢利，故並未提撥香港利得稅。

其他司法權區稅項乃按各司法權區之現行稅率計算。

Notes to the Condensed Financial Statements

For the six months ended 30 June 2004

簡明財務報表附註

截至二零零四年六月三十日止六個月

7. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share is based on the following data:

		Six months ended	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		截至二零零四年 六月三十日 止六個月 千港元	截至二零零三年 六月三十日 止六個月 千港元
Earnings (loss) for the purpose of basic earnings (loss) per share	用作計算每股基本盈利(虧損)之盈利(虧損)	32,953	(166,414)
Interest expenses on convertible notes	可換股票據之利息開支	1,779	—
Earnings (loss) for the purpose of diluted earnings (loss) per share	用作計算每股攤薄盈利(虧損)之盈利(虧損)	34,732	(166,414)
		Number of shares 股份數目	
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	用作計算每股基本盈利(虧損)之普通股加權平均數	18,316,732,770	18,316,732,770
Effect of dilutive potential ordinary shares relating to convertible notes	有關可換股票據之攤薄潛在普通股之影響	6,375,164,549	N/A不適用
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	用作計算每股攤薄盈利(虧損)之普通股加權平均數	24,691,897,319	N/A不適用

No diluted loss per share has been presented for the six months ended 30 June 2003 as the conversion of the convertible notes and shares issuable under the subscription agreement dated 31 May 2002 would result in a decrease in loss per share.

7. 每股盈利(虧損)

每股基本及攤薄盈利(虧損)乃按下列數據計算:

		Six months ended	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		截至二零零四年 六月三十日 止六個月 千港元	截至二零零三年 六月三十日 止六個月 千港元
Earnings (loss) for the purpose of basic earnings (loss) per share	用作計算每股基本盈利(虧損)之盈利(虧損)	32,953	(166,414)
Interest expenses on convertible notes	可換股票據之利息開支	1,779	—
Earnings (loss) for the purpose of diluted earnings (loss) per share	用作計算每股攤薄盈利(虧損)之盈利(虧損)	34,732	(166,414)
		Number of shares 股份數目	
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	用作計算每股基本盈利(虧損)之普通股加權平均數	18,316,732,770	18,316,732,770
Effect of dilutive potential ordinary shares relating to convertible notes	有關可換股票據之攤薄潛在普通股之影響	6,375,164,549	N/A不適用
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	用作計算每股攤薄盈利(虧損)之普通股加權平均數	24,691,897,319	N/A不適用

本公司並無呈列截至二零零三年六月三十日止六個月之每股攤薄虧損，理由為兌換可換股票據以及本公司於二零零二年五月三十一日訂立之認購協議下可予發行之股份會導致每股虧損有所減少。

8. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2004 (Nil for the six months ended 30 June 2003) and will consider the payment of any final dividend for the year ending 31 December 2004.

9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group, in addition to the acquisition of hotel properties and other property, plant and equipment through Apex, also spent approximately HK\$7,540,000 (HK\$10,948,000 for the six months ended 30 June 2003) on acquisition of property, plant and equipment and disposed of certain land and buildings at a value of approximately HK\$8,967,000 (nil for the six months ended 30 June 2003).

10. INTERESTS IN ASSOCIATES

Share of net assets	應佔資產淨值
Impairment loss recognised	已確認之減值虧損

Note: During the period, the Group acquired through cash offer further interest in its then associate, Apex. On 9 January 2004, Apex became a subsidiary of the Company. The Group also disposed of its 50% interest in Heilongjiang Ananda Entertainment Company Limited, resulting in a gain on disposal of HK\$500,000.

8. 股息

董事並不建議派發截至二零零四年六月三十日止六個月中期股息（截至二零零三年六月三十日止六個月：無），並將考慮派發截至二零零四年十二月三十一日止年度之末期股息。

9. 物業、機器及設備

本集團於期內除透過Apex收購酒店物業及其他物業、機器及設備外，亦動用約7,540,000港元（截至二零零三年六月三十日止六個月：10,948,000港元）以收購物業、機器及設備，並出售價值約8,967,000港元之若干土地及樓宇（截至二零零三年六月三十日止六個月：無）。

10. 於聯營公司之權益

	At 30.6.2004	At 31.12.2003
	HK\$'000	HK\$'000
	於二零零四年 六月三十日	於二零零三年 十二月三十一日
	千港元	千港元
Share of net assets	2,926	253,184
Impairment loss recognised	-	(31,717)
	2,926	221,467

附註：期內，本集團透過現金收購建議進一步收購其當時聯營公司Apex之權益。於二零零四年一月九日，Apex成為本公司之附屬公司。本集團亦出售其於黑龍江辰龍游樂有限公司之50%權益，出售產生盈利500,000港元。

Notes to the Condensed Financial Statements

For the six months ended 30 June 2004

簡明財務報表附註

截至二零零四年六月三十日止六個月

II. NEGATIVE GOODWILL

NEGATIVE GOODWILL

Arising from acquisition of additional interest in Apex during the period and balance at the end of the period

REALISATION

Released to the income statement during the period and balance at the end of the period

CARRYING AMOUNT

At end of the period

Negative goodwill is recognised to the income statement over 40 years, which was determined based on the remaining average useful life of identifiable depreciable assets acquired.

12. RECEIVABLES AND DEPOSITS

Included in receivables and deposits are trade receivables of HK\$18,244,000 (At 31 December 2003: HK\$7,029,000) and the aged analysis of the trade receivables at the reporting dates is as follows:

		At 30.6.2004 HK\$'000 於二零零四年 六月三十日 千港元	At 31.12.2003 HK\$'000 於二零零三年 十二月三十一日 千港元
0 – 30 days	0至30日	8,718	2,617
31 – 60 days	31日至60日	2,374	1,573
61 – 90 days	61日至90日	1,574	815
Over 90 days	90日以上	5,578	2,024
		18,244	7,029

The Group allows an average credit period of 60 days to local customers and 90 days to overseas customers.

II. 負商譽

Six months ended

30.6.2004

HK\$'000

截至二零零四年

六月三十日止六個月

千港元

負商譽

於期內收購Apex額外權益
產生及期終結餘

83,366

變現

於期內在收益表
內確認及期終結餘

1,042

賬面值

於期終

82,324

負商譽分四十年在收益表內確認。此乃按已收購之可識別及可折舊資產的剩餘平均使用年期為基準而釐定。

12. 應收款項及訂金

列入應收款項及訂金包括為數18,244,000港元之貿易應收賬款(於二零零三年十二月三十一日: 7,029,000港元), 而該等貿易應收賬款於呈報日之賬齡分析如下:

	At 30.6.2004 HK\$'000 於二零零四年 六月三十日 千港元	At 31.12.2003 HK\$'000 於二零零三年 十二月三十一日 千港元
0 – 30 days	8,718	2,617
31 – 60 days	2,374	1,573
61 – 90 days	1,574	815
Over 90 days	5,578	2,024
	18,244	7,029

本集團給予本地客戶及海外客戶之平均除賬期分別為60日及90日。

13. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$95,447,000 (At 31 December 2003: HK\$77,121,000) and the aged analysis of the trade payables at the reporting dates is as follows:

		At 30.6.2004 HK\$'000 於二零零四年 六月三十日 千港元	At 31.12.2003 HK\$'000 於二零零三年 十二月三十一日 千港元
0 – 30 days	0至30日	59,039	44,715
31 – 60 days	31日至60日	14,918	15,687
61 – 90 days	61日至90日	9,359	9,593
Over 90 days	90日以上	12,131	7,126
		95,447	77,121

14. LOANS FROM RELATED COMPANIES

		At 30.6.2004 HK\$'000 於二零零四年 六月三十日 千港元	At 31.12.2003 HK\$'000 於二零零三年 十二月三十一日 千港元
Loans	貸款	415,019	231,312
Less: Amount repayable within one year	減：於一年內償還款項	(58,000)	(8,000)
Amount repayable after one year	於一年後償還款項	357,019	223,312

The above loans are unsecured and bear interest at market rates.

13. 貿易及其他應付賬款

列入貿易及其他應付賬款包括為數95,447,000港元之貿易應付賬款(於二零零三年十二月三十一日: 77,121,000港元), 而該等貿易應付賬款於呈報日之賬齡分析如下:

14. 關連公司貸款

上述貸款為無抵押及按市場息率計息。

Notes to the Condensed Financial Statements

For the six months ended 30 June 2004

簡明財務報表附註

截至二零零四年六月三十日止六個月

15. CONVERTIBLE NOTES

	At 30.6.2004 HK\$'000 於二零零四年 六月三十日 千港元
Convertible notes	可換股票據
Less: Redeemed during the period	減：於期內贖回
	–
Add: Issued during the period	加：於期內已發行

During the period, the Company issued new convertible notes amounting to HK\$260,000,000 to finance the redemption of the convertible notes issued in 2002 and due in 2004. The new convertible notes carry interest at 2% per annum and are repayable on 14 June 2007. The holders of the new convertible notes are entitled to convert on any business day the convertible notes into new shares of the Company at any time from the date of issue of the new convertible notes, at an initial conversion price of HK\$0.02 per share, subject to adjustments. If and whenever the average closing price per share of the Company for 20 consecutive trading days immediately preceding the first or second anniversary of the date of issue of the convertible notes is lower than the then prevailing conversion price, such conversion price shall be immediately adjusted to such average closing price, provided that such average closing price shall not fall below HK\$0.015. Upon full conversion of the new convertible notes at the balance sheet date of HK\$0.02 per share, a total of 13,000,000,000 shares of the Company would be issued. Should the conversion price be HK\$0.015 per share as aforesaid, a total of 17,333,333,333 shares of the Company would be issued.

15. 可換股票據

	At 30.6.2004 HK\$'000 於二零零四年 六月三十日 千港元	At 31.12.2003 HK\$'000 於二零零三年 十二月三十一日 千港元
Convertible notes	254,125	254,125
Less: Redeemed during the period	(254,125)	–
	–	254,125
Add: Issued during the period	260,000	–
	260,000	254,125

期內，本公司發行價值260,000,000港元之新可換股票據，作為贖回於二零零二年發行及於二零零四年到期之可換股票據之融資。該等新可換股票據按年利率2厘計息並須於二零零七年六月十四日償還。新可換股票據持有人有權於新可換股票據發行當日起計隨時於任何營業日按初步兌換價每股0.02港元（可予調整）將新可換股票據兌換成本公司之新股份。倘若及當本公司每股股份於緊接可換股票據發行日期第一或第二週年前之連續20個交易日之平均收市價低於當時兌換價，有關兌換價須立即調整至相等於該平均收市價之數額，惟該有關平均收市價將不能低於0.015港元。倘若按每股0.02港元全面兌換於結算日之新可換股票據，本公司將須發行合共13,000,000,000股股份。倘兌換價如上述般為0.015港元，本公司將須發行合共17,333,333,333股股份。

16. PROMISSORY NOTE

The promissory note was issued during the year ended 31 December 2002 by a subsidiary of Apex to Hutchison Hotels Holdings (International) Limited as partial consideration for the acquisition of the entire share capital of and shareholders' loan to Makerston Limited ("Makerston"), which holds indirectly 95% interest in a group company holding a hotel property in Beijing. The promissory note is interest bearing at Hong Kong Inter-Bank Offered Rate plus 2% per annum, repayable on 1 December 2007 and secured by the entire issued share capital of, and shareholders' loan to Makerston and its subsidiaries holding the aforesaid hotel property.

16. 承兌票據

Apex之附屬公司於截至二零零二年十二月三十一日止年度發行予Hutchison Hotels Holdings (International) Limited承兌票據，作為收購Makerston Limited（「Makerston」）全部股本及股東貸款之部分代價。Makerston間接持有本集團一家持有位於北京之酒店物業之公司之95%權益。承兌票據附帶利息，並按香港銀行同業拆息加2厘之年利率計息，並須於二零零七年十二月一日償還，以Makerston及其持有上述酒店物業之附屬公司全部股本及股東貸款作抵押。

Notes to the Condensed Financial Statements

For the six months ended 30 June 2004

簡明財務報表附註

截至二零零四年六月三十日止六個月

17. EFFECT OF ACQUISITION OF APEX

The effect of the acquisition is summarised as follows:

17. 收購APEX之影響

收購之影響概述如下：

		HK\$'000 千港元
Property, plant and equipment	物業、機器及設備	1,689,763
Club debenture	會所債券	713
Other long term investment	其他長期投資	188
Properties held for sale	待售物業	98
Inventories	存貨	5,387
Receivables and deposits	應收款項及訂金	66,729
Investments in securities	證券投資	23
Bank balances and cash	銀行結餘及現金	22,244
Trade and other payables	貿易及其他應付賬款	(104,072)
Amount due to the Group	應付本集團款項	(9,425)
Obligations under a finance lease	融資租約之承擔	(1,467)
Bank and other borrowings	銀行及其他借貸	(378,642)
Amounts due to related companies	應付關連公司款項	(81,654)
Promissory note	承兌票據	(365,000)
Deferred taxation	遞延稅項	(232,450)
Minority interests	少數股東權益	(291,435)
Net assets acquired	已收購資產淨值	321,000
Less: Interest previously acquired and classified as interest in an associate	減：過往已收購之權益並已 分類為聯營公司之權益	(218,360)
		102,640
Negative goodwill arising on acquisition	於收購時產生之負商譽	(83,366)
Cash consideration	現金代價	19,274
Net cash inflow arising on acquisition:	於收購時產生之現金流入淨額：	
Cash consideration	現金代價	(19,274)
Bank balances and cash acquired	已收購之銀行結餘及現金	22,244
		2,970

The subsidiaries acquired during the period contributed HK\$85,948,000 to the Group's turnover and loss of HK\$5,942,000 to the Group's profit before taxation.

期內所收購之附屬公司對本集團營業額之貢獻為85,948,000港元，及為本集團除稅前之溢利帶來虧損5,942,000港元。

18. CONTINGENT LIABILITIES

18. 或然負債

		At 30.6.2004 HK\$'000 於二零零四年 六月三十日 千港元	At 31.12.2003 HK\$'000 於二零零三年 十二月三十一日 千港元
An undertaking to Apex to indemnify it against any potential loss upon the transfer of the land use right to the Luoyang Golden Gulf Hotel Co. Ltd. in relation to the disposal thereof	向Apex作出承諾以彌償其就有關出售洛陽金水灣大酒店有限公司事項向其轉讓土地使用權時而蒙受之任何潛在損失	-	37,347
Guarantee to the holder of the promissory note issued by a subsidiary of Apex	就Apex一間附屬公司發行之承兌票據持有人作出之擔保	-	365,000
		<u>-</u>	<u>402,347</u>

The Group had contingent liabilities in respect of liabilities arising from claims against Trans-Island Limousine Service Limited and its subsidiaries in connection with its business before the disposal. The directors consider that the final outcomes of those claims will not be material and accordingly, no provision has been made in the condensed financial statements.

本集團亦有涉及環島旅運有限公司及其附屬公司出售前有關其業務之申索所產生之負債有關之或然負債。董事認為該等申索之最終結果將屬輕微，故並無於簡明財務報表作出撥備。

Independent Review Report 獨立審閱報告

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF WING ON TRAVEL (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have been instructed by the directors of the Company to review the interim financial report set out on pages 1 to 19.

DIRECTORS' RESPONSIBILITIES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the Statement of Standard Accounting Practice No. 25 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致永安旅遊(控股)有限公司董事會
(於百慕達註冊成立之有限公司)

緒言

本核數師已按 貴公司董事會之指示，審閱第1頁至第19頁所載之中期財務報告。

董事責任

根據香港聯合交易所有限公司證券上市規則，中期財務報告的編製須符合香港會計師公會頒布的會計實務準則第25號「中期財務報告」及相關規定。董事須對中期財務報告負責，而有關報告已經獲董事批准。

根據本行接受委聘的協議條款，本行的責任是根據我們的審閱，對中期財務報告作出獨立的結論，並將此結論謹向董事會報告，而不作其他用途。我們概不就本報告之內容而向任何其他人士負責或承擔任何責任。

REVIEW WORK PERFORMED

We conducted our review in accordance with the Statement of Auditing Standards No. 700 “Engagements to review interim financial reports” issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2004.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
21 September 2004

所進行之審閱工作

本行已按照香港會計師公會所頒布的核數準則第700號「審閱中期財務報告之委聘」進行審閱工作。審閱工作主要包括向管理層作出查詢，並對中期財務報告作出分析，然後根據結果評估會計政策及呈報方式是否貫徹使用（惟已另作披露則除外）。審閱工作並不包括監控測試及核證資產、負債及交易等審計程序。由於審閱的範疇遠較審計為小，故所提供的保證程度較審計為低。因此，本行不會對中期財務報告發表審計意見。

審閱結果

按照本行審閱（不構成審計）的結果，本行並無發現任何須對截至二零零四年六月三十日止六個月之中期財務報告作出的重大修改。

德勤•關黃陳方會計師行
執業會計師

香港
二零零四年九月二十一日

Management Discussion and Analysis

管理層論述及分析

REVIEW OF OPERATIONS

During the period under review, Hong Kong's economy was undergoing a rapid rebound. The extended coverage of the PRC Individual Visit Scheme together with the Renminbi business initiative laid a strong foundation for the sustainable growth economy. This environment sets a positive consumer sentiment which benefits our business. In spite of the recovering economy, the travel business was by and large affected by the outbreak of avian flu in Asia and a few cases of severe acute respiratory syndrome ("SARS") also in Asia during the period under review. All in all, with the effort of our fellow directors, senior management and all employees of the Company, the Group achieved an encouraging result.

Turnover and profit before taxation for the six months ended 30 June 2004 attained HK\$814.1 million and HK\$32.9 million respectively (1.1.2003 to 30.6.2003: HK\$553.7 million and a loss of HK\$168.3 million respectively). The profit before taxation was made up of profit from operations of HK\$23.7 million (1.1.2003 to 30.6.2003: a loss of HK\$61.3 million), finance costs of HK\$28.5 million (1.1.2003 to 30.6.2003: HK\$11.1 million), share of loss of associates of HK\$0.2 million (1.1.2003 to 30.6.2003: HK\$95.9 million) and gain on disposal of associates of HK\$37.9 million (1.1.2003 to 30.6.2003: HK\$ nil). The directors are pleased to report that the profit for the period represents an encouraging turnaround from the Group's losses made since the year ended 31 March 2002.

TRAVEL AND RELATED SERVICES

Given the above favourable factors, the turnover and profits of this segment for the first half of the year reached HK\$728.2 million and HK\$22.1 million respectively (1.1.2003 to 30.6.2003: HK\$489.2 million and HK\$1.1 million respectively).

經營業務回顧

於回顧期內，香港經濟急速反彈。中國個人遊計劃覆蓋範圍擴大，加上人民幣業務積極發展，為經濟持續增長奠下良好根基。此環境造就積極消費意慾，對本集團業務有利。儘管經濟逐漸復甦，於回顧期內，亞洲爆發禽流感及發現數宗嚴重急性呼吸系統綜合症（「非典型肺炎」）個案，令本集團之旅遊業務大受影響。總括而言，在本公司董事、高級管理人員及全體員工努力不懈之下，本集團取得令人鼓舞之業績。

截至二零零四年六月三十日止六個月，營業額及除稅前溢利分別達 814,100,000 港元及 32,900,000 港元（二零零三年一月一日至二零零三年六月三十日：分別為 553,700,000 港元及虧損 168,300,000 港元）。除稅前溢利主要來自經營業務溢利 23,700,000 港元（二零零三年一月一日至二零零三年六月三十日：虧損 61,300,000 港元）、融資成本 28,500,000 港元（二零零三年一月一日至二零零三年六月三十日：11,100,000 港元）、應佔聯營公司虧損 200,000 港元（二零零三年一月一日至二零零三年六月三十日：95,900,000 港元）及出售聯營公司收益 37,900,000 港元（二零零三年一月一日至二零零三年六月三十日：無）。董事欣然報告，期內之溢利令本集團從截至二零零二年三月三十一日止年度起開始虧損得以轉虧為盈，令人鼓舞。

旅遊及相關服務

基於上述有利因素，此分類業務於本年度上半年之營業額及溢利分別達 728,200,000 港元及 22,100,000 港元（二零零三年一月一日至二零零三年六月三十日：分別為 489,200,000 港元及 1,100,000 港元）。

HOTEL AND RELATED LEISURE SERVICES

The Group operates the hotel and leisure related businesses through Apex Quality Group Limited (“Apex”), a 67.9% owned subsidiary that became a member of the Group since January 2004, which indirectly holds the entire interest in Best Western Rosedale On the Park in Hong Kong and the controlling interests in Rosedale Hotel & Suites ■ Guangzhou, Rosedale Hotel & Suites ■ Beijing and Luoyang Golden Gulf Hotel in the PRC.

With the implementation of the Closer Economic Partnership Arrangement (“CEPA”), the launch of PRC Individual Visit Scheme to Hong Kong and the successful containment of SARS, the hotel and leisure related businesses in Hong Kong and the PRC have shown a rapid recovery during the first half of 2004. The turnover and profit of this segment for the first half of the year has achieved HK\$85.9 million and HK\$9.6 million respectively. This encouraging result was mainly due to the efforts rendered by the sales teams of our hotel division and the implementation of effective cost control measures on the hotel operations.

ASSOCIATES

During 2003, the directors had reviewed the carrying amount in the associate, operating a hotel in Harbin, the PRC, and had fully written down its book value to its estimated market value. During the period, the Group has disposed of its entire interest in the associate, which had incurred huge losses since the Group’s acquisition, to a third party. As a result, the Group did not record any share of results in this associate during the six months ended 30 June 2004 (1.1.2003 to 30.6.2003: a loss of HK\$14.0 million).

酒店及休閒相關服務

本集團透過一間本集團擁有67.9%股權之附屬公司Apex Quality Group Limited（「Apex」）經營酒店及休閒相關服務。Apex自二零零四年一月起成為本集團成員公司，並間接持有香港珀麗酒店之全部權益及中國廣州珀麗酒店、北京珀麗酒店及洛陽金水灣大酒店之控股權益。

隨著落實更緊密經貿關係安排（「CEPA」）、中國公民至香港個人遊計劃之推行以及成功控制非典型肺炎，香港及中國之酒店及休閒相關業務於二零零四年上半年迅速復甦。此分類業務於本年度上半年之營業額及溢利分別達85,900,000港元及9,600,000港元。此令人鼓舞之業績主要有賴於本集團酒店部銷售隊伍之努力，以及酒店業務推行有效之成本控制措施所致。

聯營公司

於二零零三年內，董事已審閱於中國哈爾濱市經營一家酒店之聯營公司之賬面值，並已全數撇銷其賬面值至其估計市值。該聯營公司自被本集團收購後一直出現鉅額虧損，於期內，本集團已出售該聯營公司之全部權益予一名第三方。因此，本集團於截至二零零四年六月三十日止六個月期間並無錄得任何應佔此聯營公司之業績（二零零三年一月一日至二零零三年六月三十日：虧損14,000,000港元）。

ASSOCIATES (Continued)

Rosedale Hotel Group Limited (“Rosedale”) (name changed to China Velocity Group Limited on 26 January 2004) had undergone a reorganisation in December 2003 and resulted in Apex holding all assets and liabilities in relation to the hotel and leisure-related businesses prior to the reorganisation. The Group disposed of its entire interest in Rosedale on 16 December 2003 to an independent third party. As a result, the Group did not share the results of this former associate during the period ended 30 June 2004 (1.1.2003 to 30.6.2003: a loss of HK\$80.6 million).

MATERIAL ACQUISITIONS AND DISPOSALS

On 19 December 2003, the Group made an offer (the “Apex Offer”) to acquire from the shareholders of Apex all Apex shares not already held by the Group and parties acting in concert with it. The Apex Offer was closed on 9 January 2004 with acceptances of totally 51,781,361 shares. As a result, the Group controlled 188,488,027 Apex shares, representing approximately 67.9% of the voting rights in Apex upon closing the Apex Offer.

In February, 2004, a 50% owned associate of the Group acquired an interest in a piece of land in Hong Kong for redevelopment. Subsequently, the Group entered into a sale and purchase agreement to dispose of the entire issued share capital of the subsidiary holding the 50% interest in the aforesaid associate. The disposal was completed on 30 June 2004.

聯營公司 (續)

珀麗酒店集團有限公司(「珀麗」)(於二零零四年一月二十六日更改名稱為China Velocity Group Limited)於二零零三年十二月進行重組，導致Apex持有珀麗於重組前旗下所有與酒店及休閒相關業務有關之資產及負債。本集團於二零零三年十二月十六日出售其於珀麗之全部權益予一名獨立第三方。因此，本集團於截至二零零四年六月三十日止期間並無錄得任何應佔此前聯營公司之業績(二零零三年一月一日至二零零三年六月三十日：虧損80,600,000港元)。

重大收購及出售事項

於二零零三年十二月十九日，本集團提出一項收購建議(「Apex收購建議」)向Apex股東收購本集團及其一致行動之人士尚未持有之所有Apex股份。Apex收購建議於二零零四年一月九日截止，合共獲51,781,361股股份接納。因此，本集團控制188,488,027股Apex股份，佔Apex收購建議截止時Apex之投票權約67.9%。

於二零零四年二月，本集團擁有50%股權之聯營公司購入一幅位於香港之土地之權益作重新發展用途。其後，本集團訂立一項買賣協議，出售持有上述聯營公司50%權益之附屬公司之全部已發行股本。該項出售於二零零四年六月三十日完成。

LIQUIDITY AND FINANCIAL RESOURCES

On 13 January 2004, the Company entered into agreements (“CN Agreements”) (as subsequently amended on 17 March 2004 and further amended by the supplemental agreements dated 4 May 2004) with each of China Enterprises Limited (“CEL”) and Hutchison International Limited (“HIL”) for the issue of convertible notes by the Company to each of CEL and HIL or their respective nominee(s) with a principal amount of HK\$155 million and HK\$105 million respectively. Completion of the CN Agreements had taken place on 14 June 2004.

At balance sheet date, the Group's total borrowings were approximately HK\$1,410.7 million (31.12.2003: HK\$519.9 million) which comprised loans from related companies of HK\$415.0 million (31.12.2003: HK\$231.3 million), bank and short term loan repayable within one year of HK\$135.3 million (31.12.2003: HK\$28.2 million), bank and other loans repayable after one year of HK\$234.8 million (31.12.2003: HK\$6.3 million), obligations under finance lease and sales and lease back arrangements of HK\$0.6 million (31.12.2003: HK\$ nil), promissory note of HK\$365.0 million (31.12.2003: HK\$ nil) due in 2007 and convertible notes of HK\$260 million (31.12.2003: HK\$254.1 million) repayable in 3 years from the date of issue. Other than the convertible notes which bear interest at a fixed interest rate of 2% per annum, all other borrowings bear floating interest rates.

The newly acquired subsidiary, Apex, has outstanding borrowings and promissory note totaled to HK\$825.5 million as at 30 June 2004. Coupled with the effect on additional fundings arranged for the operations of the Group, the gearing ratio, expressed as a percentage of total borrowings to shareholders' funds, increased from 177.3% as at 31 December 2003 to 433.1% as at 30 June 2004.

流動資金及財務資源

於二零零四年一月十三日，本公司分別與 China Enterprises Limited (「CEL」) 及 Hutchison International Limited (「HIL」) 訂立協議 (「CN協議」) (隨後於二零零四年三月十七日修訂，並經日期為二零零四年五月四日之補充協議進一步修訂)，內容乃關於本公司分別以本金 155,000,000 港元及 105,000,000 港元分別向 CEL 及 HIL 或彼等各自之代名人發行可換股票據。CN 協議已於二零零四年六月十四日完成。

於結算日，本集團之借款總額約為 1,410,700,000 港元 (二零零三年十二月三十一日：519,900,000 港元)，其中包括關連公司貸款 415,000,000 港元 (二零零三年十二月三十一日：231,300,000 港元)、一年內償還之銀行及短期貸款 135,300,000 港元 (二零零三年十二月三十一日：28,200,000 港元)、一年後償還之銀行及其他貸款 234,800,000 港元 (二零零三年十二月三十一日：6,300,000 港元)、融資租約及售後租回安排之承擔 600,000 港元 (二零零三年十二月三十一日：無)、於二零零七年到期之承兌票據 365,000,000 港元 (二零零三年十二月三十一日：無) 及自發行日期起計三年內償還之可換股票據 260,000,000 港元 (二零零三年十二月三十一日：254,100,000 港元)。除可換股票據按固定利率每年 2 厘計息外，所有其他借款均按浮動利率計息。

新收購之附屬公司 Apex 於二零零四年六月三十日之尚未償還借款及承兌票據合共 825,500,000 港元。連同本集團就營運所安排之額外資金之影響，資本負債比率 (按借款總額相對股東資金百分比列示) 由二零零三年十二月三十一日之 177.3% 增加至二零零四年六月三十日之 433.1%。

PLEDGE OF ASSETS

At 30 June 2004, certain assets of the Group at net book value of HK\$670.2 million (at 31.12.2003: HK\$20.2 million) were pledged to banks and financial institutions for credit facilities. In addition, certain hotel properties of the Group at net book value of HK\$465.0 million were pledged to the promissory note holder as securities as at balance sheet date.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2004.

FOREIGN CURRENCY EXPOSURE

The majority of the Group's assets and liabilities and business transactions were denominated in Hong Kong dollars, US dollars and Renminbi. As such, the fluctuation of foreign currencies did not have a significant impact on the performance, results and operations of the Group for the reporting period.

The Group shall continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

EMPLOYEES

At 30 June 2004, the Group has approximately 1,870 employees of which 24 employees were stationed overseas and approximately 1,010 employees were stationed in the PRC. Competitive remuneration packages are structured to commensurate with the responsibilities, qualifications, experience and performance of individuals. The Group also provided training programmes, provident fund scheme and medical insurance for its employees. Total staff remuneration incurred for the six months ended 30 June 2004 were approximately HK\$56.0 million.

資產抵押

於二零零四年六月三十日，本集團已將賬面淨值為670,200,000港元（二零零三年十二月三十一日：20,200,000港元）之若干資產抵押予銀行及財務機構作信貸融資額。此外，於結算日，本集團已將賬面淨值為465,000,000港元之若干酒店物業抵押予承兌票據持有人作擔保。

或然負債

本集團於二零零四年六月三十日概無任何其他重大或然負債。

外幣風險

本集團之大部分資產與負債及業務交易均以港元、美元及人民幣計算。因此，外幣匯率波動對本集團於申報期內之表現、業績及營運並無造成重大影響。

本集團將繼續密切監控其外幣風險及需要，並將於需要時安排對沖融資額。

僱員

於二零零四年六月三十日，本集團聘用約1,870名僱員，當中24名駐居海外，而約1,010名駐居中國。本集團為僱員提供與職責、資歷、經驗及個人表現相稱之具競爭力薪酬待遇。此外，本集團亦為其僱員提供培訓課程、公積金計劃及醫療保險。截至二零零四年六月三十日止六個月，僱員薪酬總額支出約為56,000,000港元。

EMPLOYEES (Continued)

The Group had a share option scheme (the "Scheme"), which was approved and adopted by shareholders of the Company on 3 May 2002, to enable the directors to grant options to employees, executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and any suppliers, consultants, agents or advisers who will contribute or have contributed to the Company or any of its subsidiaries as incentives and rewards for their contribution to the Company or such subsidiaries. The maximum number of shares in respect of which options may be granted under the Scheme, when aggregated with any shares subject to any other schemes, shall not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the Scheme.

No options have been granted under the Scheme since its adoption.

PROSPECTS

The global economy is improving and stimulates increase demand for international travel. These in turn should flow through in traveling and lodging demand in the coming second half year. In sales and marketing, by continuing to explore new innovative tours, of which were very well received in the past, we will redouble our efforts to tap a market segment not fully served by our traditional sales and marketing network and focus on delivering superior services to our customers.

In view of PRC's accession to the World Trade Organisation, the implementation of CEPA, Beijing's hosting of the 2008 Olympic Games and the continuous mutual support between Hong Kong and the PRC, it is expected that the hotel and other leisure-related businesses will continue to grow with positive demand and the average room rate of our hotels for the remaining half of 2004 will exceed the rate achieved in the past. The Board is confident that our travel and hotel businesses will contribute significant recurring income to the Group in the forthcoming years.

僱員 (續)

本集團採納一項購股權計劃(「該計劃」)，該計劃於二零零二年五月三日獲本公司股東批准採納，董事可向本公司或其任何附屬公司僱員、主要行政人員或高級人員(包括本公司或其任何附屬公司之執行及非執行董事)，以及將會或曾經對本公司或其任何附屬公司作出貢獻之供應商、專業顧問、代理或諮詢人授出購股權，以獎勵及回饋彼等對本公司或該等附屬公司所作之貢獻。根據該計劃可能授出之購股權所涉及之股份，與任何其他計劃所涉及之股份一併計算，數目合共不得超過本公司於批准採納該計劃日期之已發行股本10%。

自該計劃採納以來並無根據該計劃授出購股權。

展望

全球經濟正在改善，刺激國際旅遊需求上升。此情況應會於下半年惠及旅遊與住宿需求。銷售及市場推廣方面，透過持續發掘嶄新旅行路線，而該等路線過往極受歡迎，本集團將加倍努力進佔傳統銷售及市場推廣網絡並未全面覆蓋之市場分部，並會集中為客戶提供優越服務。

有鑑於中國加入世界貿易組織、落實CEPA、北京主辦二零零八年奧運及中港兩地繼續互相扶持，預期酒店及其他休閒相關業務將繼續隨需求上升而有所增長，而本集團酒店於二零零四年餘下半年之平均入住率將較過往為高。董事會深信，本集團之旅遊及酒店業務在往後年度將可為本集團帶來持續收入。

Supplementary Information

附加資料

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2004, the interests and short positions of the directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:—

Name of director 董事姓名	Long position/ Short position 好倉／淡倉	Capacity 身份	Nature of interest 權益性質	Number of shares held 所持股份數目	Approximate percentage of shareholding 股權之概約百分比
Dr. Chan Kwok Keung, Charles 陳國強博士	Long position 好倉	Beneficial owner 實益擁有人	Personal interest 個人權益	17,280,000	0.09%
Mr. Chan Yeuk Wai (Note) 陳若偉先生 (附註)	Long position 好倉	Interest of controlled corporations and interests held jointly with another person 受控制公司之權益及 與他人共同持有之權益	Corporate and other interests 公司及其他權益	3,370,694,440	18.40%

Note: Mr. Chan Yeuk Wai is deemed to have corporate and other interests in 3,370,694,440 shares by virtue of his interests in Hounslow Limited. These interests are duplicated with the interests as shown in the section “SUBSTANTIAL SHAREHOLDERS” below.

Save as disclosed above and other than certain nominee shares in subsidiaries held by the directors in trust for the Company and its subsidiaries, as at 30 June 2004, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

董事之證券權益

於二零零四年六月三十日，本公司董事或行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部（包括根據證券及期貨條例有關條文被當作或視為擁有之權益或淡倉）須知會本公司及香港聯合交易所有限公司（「聯交所」）；或(b)根據證券及期貨條例第352條須記錄於該條例所指之登記冊內；或(c)根據上市發行人董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：

附註：陳若偉先生因擁有Hounslow Limited之權益，而被視為擁有3,370,694,440股股份之公司及其他權益。該等權益之詳情於下文「主要股東」一節中重複。

除上文所披露者及董事以信託名義代本公司及其附屬公司持有之若干附屬公司代名人股份外，於二零零四年六月三十日，本公司董事或行政總裁概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所，或根據證券及期貨條例第352條須記錄於本公司存置之登記冊內，或根據上市發行人董事進行證券交易之標準守則須知會本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2004, so far as was known to the directors or chief executive of the Company, the following persons (other than directors or chief executive of the Company) had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:-

(a) INTERESTS IN THE SHARES

Name of shareholder	Long position/ Short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding 股權之概約 百分比
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	
China Strategic Holdings Limited (Note 1(a)) 中策集團有限公司 (附註1(a))	Long position 好倉	Interest of controlled corporations 受控制公司之權益	Corporate interest 公司權益	5,900,000,000	32.21%
China Enterprises Limited (Note 1(a)) (附註1(a))	Long position 好倉	Interest of a controlled corporation 受控制公司之權益	Corporate interest 公司權益	5,900,000,000	32.21%
Million Good Limited (Note 1(a)) (附註1(a))	Long position 好倉	Beneficial owner 實益擁有人	Corporate interest 公司權益	5,900,000,000	32.21%
Hounslow Limited (Note 2) (附註2)	Long position 好倉	Beneficial owner and interest of controlled corporations 實益擁有人及受控制公司之權益	Corporate interest 公司權益	2,299,557,190	12.55%
Citigroup Inc. (Note 3) (附註3)	Long position 好倉	Interest of controlled corporations 受控制公司之權益	Corporate interest 公司權益	1,100,000,000	6.00%
Softbank Investment International (Strategic) Limited 軟庫發展有限公司	Long position 好倉	Beneficial owner 實益擁有人	Corporate interest 公司權益	986,486,494	5.38%

主要股東

於二零零四年六月三十日，就本公司董事或行政總裁所知，以下人士（本公司董事或行政總裁除外）於股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司及聯交所披露，或根據證券及期貨條例第336條須記錄於本公司存置之登記冊內之權益或淡倉：

(a) 於股份之權益

(b) INTERESTS IN UNDERLYING SHARES UNDER EQUITY DERIVATIVES (AS DEFINED IN PART XV OF THE SFO)

**(b) 於股本衍生工具中相關股份
(定義見證券及期貨條例第
XV部)之權益**

Name of shareholder	Long position/ Short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市 股本衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
Mr. Li Ka-shing (Note 4(a)) 李嘉誠先生 (附註4(a))	Long position 好倉	Founder of discretionary trusts and interest of controlled corporations 全權信託之成立人及受控制公司之權益	Corporate and other interests 公司及其他權益	5,250,000,000 (Note 4(b)) (附註4(b))	28.66%
Li Ka-Shing Unity Trustee Corporation Limited (as trustee of The Li Ka-Shing Unity Discretionary Trust) (Note 4(a))	Long position 好倉	Trustee and beneficiary of a trust 信託人及信託受益人	Other interest 其他權益	5,250,000,000 (Note 4(b)) (附註4(b))	28.66%
Li Ka-Shing Unity Trustee Corporation Limited (作為The Li Ka-Shing Unity Discretionary Trust之信託人) (附註4(a))					
Li Ka-Shing Unity Trustcorp Limited (as trustee of another discretionary trust) (Note 4(a))	Long position 好倉	Trustee and beneficiary of a trust 信託人及信託受益人	Other interest 其他權益	5,250,000,000 (Note 4(b)) (附註4(b))	28.66%
Li Ka-Shing Unity Trustcorp Limited (作為另一項全權信託之信託人) (附註4(a))					

Name of shareholder	Long position/ Short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市 股本衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
Li Ka-Shing Unity Trustee Company Limited (as trustee of The Li Ka-Shing Unity Trust) (Note 4(a))	Long position 好倉	Trustee 信託人	Other interest 其他權益	5,250,000,000 (Note 4(b)) (附註4(b))	28.66%
Li Ka-Shing Unity Trustee Company Limited (作為The Li Ka-Shing Unity Trust之信託人) (附註4(a))					
Cheung Kong (Holdings) Limited (Note 4(a)) 長江實業(集團) 有限公司 (附註4(a))	Long position 好倉	Interest of controlled corporations 受控制公司之權益	Corporate interest 公司權益	5,250,000,000 (Note 4(b)) (附註4(b))	28.66%
Hutchison Whampoa Limited (Note 4(a)) 和記黃埔有限公司 (附註4(a))	Long position 好倉	Interest of a controlled corporation 受控制公司之權益	Corporate interest 公司權益	5,250,000,000 (Note 4(b)) (附註4(b))	28.66%
Hutchison International Limited (Notes 4(a) & 4(b)) (附註4(a)及4(b))	Long position 好倉	Beneficial owner 實益擁有人	Corporate interest 公司權益	5,250,000,000 (Note 4(b)) (附註4(b))	28.66%

Supplementary Information
附加資料

Name of shareholder	Long position/ Short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市 股本衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
China Strategic Holdings Limited (Note 1(a)) 中策集團有限公司 (附註1(a))	Long position 好倉	Interest of controlled corporations 受控制公司之權益	Corporate interest 公司權益	7,750,000,000 (Note 1(b)) (附註1(b))	42.31%
China Enterprises Limited (Note 1(a)) (附註1(a))	Long position 好倉	Interest of a controlled corporation 受控制公司之權益	Corporate interest 公司權益	7,750,000,000 (Note 1(b)) (附註1(b))	42.31%
Million Good Limited (Note 1(a)) (附註1(a))	Long position 好倉	Beneficial owner 實益擁有人	Corporate interest 公司權益	7,750,000,000 (Note 1(b)) (附註1(b))	42.31%

Notes:

(1) (a) Million Good Limited is a wholly-owned subsidiary of China Enterprises Limited (“CEL”), whose shares are traded on the OTC Bulletin Board in the United States of America, which in turn is a company owned as to approximately 55.2% effective equity interest and approximately 88.8% effective voting interest by China Strategic Holdings Limited (“China Strategic”). China Strategic and CEL are deemed to be interested in 5,900,000,000 shares which are held by Million Good Limited. China Strategic and CEL are also deemed to be interested in 7,750,000,000 underlying shares (in respect of unlisted equity derivatives of the Company) held by Million Good Limited.

附註:

(1) (a) Million Good Limited乃股份於美國場外交易議價板買賣公司 China Enterprises Limited (「CEL」) 之全資附屬公司，而 CEL則由中策集團有限公司(「中策」) 擁有約 55.2% 實際股本權益以及約 88.8% 實際投票權益。中策及 CEL 被視為擁有由 Million Good Limited 所持之 5,900,000,000 股股份之權益。中策及 CEL 亦被視為擁有由 Million Good Limited 所持之 7,750,000,000 股相關股份(有關本公司之非上市股本衍生工具) 之權益。

- (b) Pursuant to the subscription agreement dated 13 January 2004 (as subsequently amended on 17 March 2004 and further amended by the supplemental agreement dated 4 May 2004) entered into between CEL and the Company, the Company issued to a nominee of CEL a convertible note with a principal amount of HK\$155,000,000. CEL or its nominee(s) is entitled to convert the convertible note into 7,750,000,000 new shares of par value HK\$0.010 each in the capital of the Company on full conversion at an initial conversion price of HK\$0.020 per share (subject to adjustments).
- (2) Hounslow Limited is incorporated in the British Virgin Islands with limited liability in which Mr. Chan Yeuk Wai, a non-executive director of the Company, has certain beneficial interests.
- (3) Umbrella Finance Company Limited (“UFC”) is owned as to 99% and 1% by Citigroup Financial Products Inc. (“CFP”) and Citigroup Global Markets Holdings Inc. (“CGMH”) respectively. CFP is 99% owned by CGMH which is a wholly owned subsidiary of Citigroup Inc. By virtue of the SFO, Citigroup Inc., CGMH and CFP are all deemed to be interested in 1,100,000,000 shares held by UFC.
- (b) 根據CEL與本公司訂立日期為二零零四年一月十三日之認購協議(其後於二零零四年三月十七日修訂,並按日期為二零零四年五月四日之補充協議進一步修訂),本公司向CEL之代名人發行本金額155,000,000港元之可換股票據。CEL或其代名人有權按每股0.020港元(可予調整)之初步換股價,將可換股票據全數兌換為7,750,000,000股本公司股本中每股面值0.010港元之新股份。
- (2) Hounslow Limited乃於英屬維爾京群島註冊成立之有限公司,而本公司非執行董事陳若偉先生持有其若干實益權益。
- (3) Umbrella Finance Company Limited (「UFC」)分別由Citigroup Financial Products Inc. (「CFP」)及Citigroup Global Markets Holdings Inc. (「CGMH」)分別擁有99%及1%。CFP由Citigroup Inc.之全資附屬公司CGMH擁有99%。根據證券及期貨條例, Citigroup Inc.、CGMH及CFP均被視為擁有由UFC持有之1,100,000,000股股份之權益。

- (4) (a) Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited. Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, together with certain companies which Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited (“CKH”).

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) as trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”) as trustee of another discretionary trust (“DT2”). Each of TDT1 and TDT2 holds units in The Li Ka-Shing Unity Trust.

Subsidiaries of CKH are entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Hutchison Whampoa Limited (“HWL”). HWL holds the entire issued share capital of Hutchison International Limited (“HIL”).

- (4) (a) 李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有 Li Ka-Shing Unity Holdings Limited 全部已發行股本之三分之一，而該公司則擁有 Li Ka-Shing Unity Trustee Company Limited 全部已發行股本。Li Ka-Shing Unity Trustee Company Limited 以 The Li Ka-Shing Unity Trust 信託人之身份，連同若干公司合共有長江實業（集團）有限公司（「長實」）三分之一以上之已發行股本，而 Li Ka-Shing Unity Trustee Company Limited 以 The Li Ka-Shing Unity Trust 信託人之身份有權在該等公司之股東大會上行使或控制行使三分之一以上之投票權。

此外，Li Ka-Shing Unity Holdings Limited 亦擁有 Li Ka-Shing Unity Trustee Corporation Limited（「TDT1」）（作為 The Li Ka-Shing Unity Discretionary Trust（「DT1」）之信託人）以及 Li Ka-Shing Unity Trustcorp Limited（「TDT2」）（作為另一項全權信託（「DT2」）之信託人）之全部已發行股本。TDT1 及 TDT2 各持有 The Li Ka-Shing Unity Trust 之信託單位。

長實之附屬公司有權在和記黃埔有限公司（「和黃」）之股東大會上行使或控制行使三分之一或以上之投票權。和黃持有 Hutchison International Limited（「HIL」）全部已發行股本。

By virtue of the SFO, HWL, CKH, Li Ka-Shing Unity Trustee Company Limited, Li Ka-Shing Unity Trustcorp Limited, Li Ka-Shing Unity Trustee Corporation Limited and Mr. Li Ka-shing who is the settlor and may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, are all deemed to be interested in 5,250,000,000 underlying shares (in respect of unlisted equity derivatives of the Company) held by HIL.

- (b) Pursuant to the subscription agreement dated 13 January 2004 (as subsequently amended on 17 March 2004 and further amended by the supplemental agreement dated 4 May 2004) entered into between HIL and the Company, the Company issued to HIL a convertible note with a principal amount of HK\$105,000,000. HIL or its nominee(s) is entitled to convert the convertible note into 5,250,000,000 new shares of par value HK\$0.010 each in the capital of the Company on full conversion at an initial conversion price of HK\$0.020 per share (subject to adjustments).

Save as disclosed above, as at 30 June 2004, the directors or chief executive of the Company were not notified of any other persons who had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company and the Stock Exchange pursuant to Part XV of the SFO or as recorded in the register to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2004.

根據證券及期貨條例，和黃、長實、Li Ka-Shing Unity Trustee Company Limited、Li Ka-Shing Unity Trustcorp Limited、Li Ka-Shing Unity Trustee Corporation Limited及李嘉誠先生（作為財產授予人以及就證券及期貨條例而言可能被視為DT1及DT2之成立人）均被視為擁有由HIL所持之5,250,000,000股相關股份（有關本公司之非上市股本衍生工具）之權益。

- (b) 根據HIL與本公司訂立日期為二零零四年一月十三日之認購協議（其後於二零零四年三月十七日修訂，並按日期為二零零四年五月四日之補充協議進一步修訂），本公司向HIL發行本金額105,000,000港元之可換股票據。HIL或其代名人有權按每股0.020港元（可予調整）之初步換股價，將可換股票據全數兌換為5,250,000,000股本公司股本中每股面值0.010港元之新股份。

除上文披露者外，於二零零四年六月三十日，本公司董事或行政總裁並無獲通知任何其他人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部而須向本公司及聯交所披露，或根據證券及期貨條例第336條須記錄於本公司存置之登記冊內之權益或淡倉。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零零四年六月三十日止六個月期間概無購買、出售或贖回本公司之任何上市證券。

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has reviewed with the management and the Company’s auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the unaudited financial statements for the six months ended 30 June 2004 on the basis that such review does not in itself constitute an audit. The Audit Committee is not aware of any material modifications that should have been made to the interim financial statements for the six months ended 30 June 2004. The Audit Committee currently comprises two independent non-executive directors, namely Mr. Kwok Ka Lap, Alva and Mr. Sin Chi Fai.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied throughout the six months ended 30 June 2004 with the Code of Best Practice as set out in Appendix I4 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) except that the non-executive directors are not appointed for a specific term as they are subject to retirement by rotation at the annual general meeting in accordance with the New Bye-Laws of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix I0 to the Listing Rules as its own code. Having made specific enquiry of all directors, the Company has ascertained that all of its directors have complied with the required standard set out in the Model Code during the six months ended 30 June 2004.

On behalf of the Board
Yu Kam Kee, Lawrence
Chairman

Hong Kong, 21 September 2004

審核委員會

本公司之審核委員會（「審核委員會」）已與管理層及本公司核數師審閱本集團採納之會計原則及慣例，並已就審核、內部監控及財務報告事宜進行討論，其中包括審閱（本身並不構成審核之基準）截至二零零四年六月三十日止六個月之未經審核財務報表。審核委員會並不知悉截至二零零四年六月三十日止六個月之中期財務報表需要作出任何重大修改。審核委員會現由兩名獨立非執行董事郭嘉立先生及冼志輝先生組成。

最佳應用守則

董事認為，本公司於截至二零零四年六月三十日止六個月期間一直遵守聯交所證券上市規則（「上市規則」）附錄十四所載之最佳應用守則，惟非執行董事並無固定任期，因彼等須根據本公司之新公司細則，在股東週年大會上依章輪值告退。

上市發行人之董事進行證券交易 之標準守則

本公司已採納載於上市規則附錄十有關上市發行人之董事進行證券交易之標準守則（「標準守則」）作為其標準守則。經向所有董事作出特定查詢後，本公司得悉所有董事於截至二零零四年六月三十日止六個月期間內，一直遵守標準守則之規定。

代表董事會
主席
余錦基

香港，二零零四年九月二十一日

Hong Kong Wing On Travel Service Limited

香港永安旅遊有限公司

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香港北角英皇道 301-319 號麗宮大廈地下 5 及 19 號舖
TEL 電話 2922 3203 FAX 傳真 2979 4056

Taikoo Shing 太古城

Shop 62, G/F., Cityplaza 2,
18 Taikoo Shing Road, Hong Kong
香港太古城道 18 號太古城中心第 2 期地下 062 號舖
TEL 電話 2886 3183 FAX 傳真 2568 3081

Chai Wan 柴灣

Shop 143, L1, New Jade Shopping Arcade,
Chai Wan, Hong Kong
香港柴灣新翠商場 1 樓 143 號舖
TEL 電話 3157 1668 FAX 傳真 3157 1666

Tsimshatsui 尖沙咀

Shop 5C, G/F., Star House,
3 Salisbury Road, Tsimshatsui, Kowloon
九龍尖沙咀梳士巴利道 3 號星光行地下 5C 號舖
TEL 電話 2926 3838 FAX 傳真 2317 0280

Mongkok 旺角

Room 315, Bank Centre,
636 Nathan Road, Mongkok, Kowloon
九龍旺角彌敦道 636 號銀行中心 315 室
TEL 電話 2928 6666 FAX 傳真 2782 1655

Diamond Hill 鑽石山

Shop G110-111, G/F., Plaza Hollywood,
Diamond Hill, Kowloon
九龍鑽石山荷里活廣場地下 G110-111 號舖
TEL 電話 2927 6600 FAX 傳真 2955 5536

Kowloon Bay 九龍灣

Shop 606, Level 6, Telford Plaza II,
Kowloon Bay, Kowloon
九龍九龍灣德福廣場 2 期 6 樓 606 號舖
TEL 電話 2927 2228 FAX 傳真 2997 3530

Kwun Tong 觀塘

Shop M17, Kwun Tong Plaza,
68 Hoi Yuen Road, Kwun Tong, Kowloon
九龍觀塘開源道 68 號觀塘廣場 M17 號舖
TEL 電話 2389 1111 FAX 傳真 2763 5288

Tseung Kwan O 將軍澳

Shop 210, Level 2, East Point City,
Tseung Kwan O, Kowloon
九龍將軍澳東港城商場 2 樓 210 號舖
TEL 電話 2927 2266 FAX 傳真 2628 6122

West Kowloon 西九龍

Shop 141, 1/F., Olympian City 2,
West Kowloon
西九龍奧海城 2 期 1 樓 141 號舖
TEL 電話 2928 4338 FAX 傳真 2273 4031

Shatin 沙田

Shop 436A-436B, Level 4, Phase 1,
New Town Plaza, Shatin, N.T.
新界沙田新城市廣場第 1 期 4 樓 436A-436B 號舖
TEL 電話 2929 4282 FAX 傳真 2601 2854

Tsuen Wan 荃灣

Rooms 1222-1223, 12/F., Nan Fung Centre,
264-298 Castle Peak Road, Tsuen Wan, N.T.
新界荃灣青山道 264-298 號
南豐中心 12 樓 1222-1223 室
TEL 電話 2411 1339 FAX 傳真 2411 1382

Kwai Fong 葵芳

Shop 145B, Level 1, Metroplaza,
Kwai Fong, N.T.
新界葵芳新都會廣場 1 樓 145B 號舖
TEL 電話 2421 2283 FAX 傳真 2421 2166

Yuen Long 元朗

Room 602-3, Yuen Long Trade Centre,
99 Castle Peak Road, Yuen Long, N.T.
新界元朗青山公路 99 號元朗貿易中心 602-3 室
TEL 電話 2476 0933 FAX 傳真 2476 0839

Tuen Mun 屯門

Shop 2127, 2/F., Tuen Mun Town Plaza, Phase I,
1 Tuen Shing Street, Tuen Mun, N.T.
新界屯門屯盛街 1 號屯門市廣場
第 1 期 2 樓 2127 號舖
TEL 電話 2450 8333 FAX 傳真 2450 9090

Sheung Shui 上水

Shop 415, Level 4, Landmark North,
Sheung Shui, N.T.
新界上水上水廣場 4 樓 415 號舖
TEL 電話 2668 6830 FAX 傳真 2668 6211

Tai Po 大埔

Shop 135, Level 1, Zone B,
Tai Po Mega Mall, Tai Po, N.T.
新界大埔大埔超級城 B 區 1 樓 135 號舖
TEL 電話 2929 0288 FAX 傳真 2662 3281

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