

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual audited financial statements for the year ended 31st March 2004.

3. SEGMENT INFORMATION

For management purpose, the Group is currently organised into eight operating divisions, namely, lease of properties, sales of properties, printing and publishing, securities brokerage services, wholesaling and retailing of furniture, hotel and restaurant operations, consultancy and advisory services and sales of marine products. These divisions are the basis on which the Group reports its primary segment information.

	Segment revenue		Segment results	
	Six months ended		Six months ended	
	30th September, 2004 (unaudited) HK\$'000	30th September, 2003 (unaudited) HK\$'000	30th September, 2004 (unaudited) HK\$'000	30th September, 2003 (unaudited) HK\$'000
Business segments				
Lease of properties	44,232	38,682	186,594	48,483
Sales of properties	273	384,386	1,331	1,233
Printing and publishing	213,037	170,034	5,208	(3,359)
Securities brokerage services	29,148	29,225	10,951	14,357
Wholesaling and retailing of furniture	59,608	40,028	(2,945)	(8,370)
Hotel and restaurant operations	35,950	15,590	(2,232)	(5,176)
Consultancy and advisory services	26,650	28,133	24,562	25,891
Sales of marine products	8,668	4,605	(245)	(325)
Others	369	3,069	(249)	7,844
	417,935	713,752	222,975	80,578
Interest income			572	809
Corporate general and administrative expenses			(22,863)	(22,711)
Profit from operations			200,684	58,676
Finance costs			(6,329)	(13,265)
Share of results of associates (Business segment: Sales of properties)			5,583	(21)
Profit before taxation			199,938	45,390

4. PROFIT FROM OPERATIONS

Profit from operations for the Period has been arrived at after charging depreciation of approximately HK\$25,318,000 (2003: HK\$26,138,000) in respect of the Group's property, plant and equipment and crediting dividend income from listed securities of approximately HK\$24,000 (2003: HK\$106,000).

5. TAXATION

	Six months ended	
	30th September, 2004 (unaudited) HK\$'000	30th September, 2003 (unaudited) HK\$'000
The charge comprises:		
Hong Kong Profits Tax attributable to the Group	(3,321)	(3,200)
Deferred taxation	(2,398)	(1,083)
	(5,719)	(4,283)
Share of taxation attributable to associates	(128)	(194)
	(5,847)	(4,477)

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for both periods.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of approximately HK\$194,667,000 (2003: HK\$42,326,000) and on 86,329,352 ordinary shares in issue in both periods.

No disclosure of diluted earnings per share is presented as there were no dilutive potential ordinary shares in issue in both periods.

7. INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK\$0.33 per share ("Dividend") for the Period (2003: Nil), amounting to approximately HK\$28 million. The Dividend will be paid on Monday, 24th January, 2005 to shareholders whose names appear on Register of Members of the Company on Friday, 14th January, 2005.

8. ADDITIONS TO INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired investment properties and property, plant and equipment amounting to approximately HK\$650,600,000 and HK\$8,299,000 (2003: HK\$ Nil and HK\$11,926,000) respectively.

9. DEBTORS, DEPOSITS AND PREPAYMENTS

In general, the Group grants credit periods ranging from 30 days to 180 days to its customers of its trading business and printing and publishing business. No age analysis is disclosed in respect of certain loans to clients of the securities brokerage business as in the opinion of the Directors, the age analysis does not give relevant information in view of the nature of the loans.

The following is an age analysis of trade debtors as at the balance sheet date:

	30th September, 2004 (unaudited) HK\$'000	31st March, 2004 (audited) HK\$'000
0 – 30 days	75,373	120,011
31 – 90 days	27,857	19,377
91 – 180 days	14,287	39,710
Over 180 days	82,030	79,415
	199,547	258,513
Other receivables, deposits and prepayments	91,147	103,834
	290,694	362,347

10. CREDITORS, CUSTOMER DEPOSITS AND ACCRUED CHARGES

The following is an age analysis of trade creditors as at the balance sheet date:

	30th September, 2004 (unaudited) HK\$'000	31st March, 2004 (audited) HK\$'000
0 – 90 days	93,996	130,681
91 – 180 days	1,124	1,358
Over 180 days	14,562	15,770
	109,682	147,809
Other payables, deposits and accruals	143,778	173,436
	253,460	321,245

11. CONTINGENCIES AND COMMITMENTS

Contingent liability

	As at 30th September, 2004 (unaudited)		As at 31st March, 2004 (audited)	
	Guarantees given HK\$'000	Amount utilised HK\$'000	Guarantees given HK\$'000	Amount utilised HK\$'000
Guarantees given to a bank in respect of mortgage loans granted to the purchasers of properties	4,447	4,447	8,812	8,812

Capital commitments

	As at	
	30th September, 2004 (unaudited) HK\$'000	31st March, 2004 (audited) HK\$'000
Authorised but not contracted for in respect of:		
– property investment and development projects	432,842	360,435
– acquisition of property, plant and equipment	1,494	2,147
Contracted for but not provided in the financial statements, net of deposits paid, in respect of:		
– property investment and development projects	46,610	57,991
– acquisition of property, plant and equipment	–	214
	480,946	420,787

12. RELATED PARTY TRANSACTIONS

During the Period, the Group had the following significant transactions with related parties:

	Six months ended	
	30th September, 2004 (unaudited) HK\$'000	30th September, 2003 (unaudited) HK\$'000
Advertising income received from related companies (<i>Note ii</i>)	767	850
Interest received from an associate (<i>Note iii</i>)	406	414
Management fees received from related companies (<i>Note ii</i>)	780	586
Rental received from related companies (<i>Note ii</i>)	4,003	3,520
Professional and service fees received from related companies (<i>Note ii</i>)	1,158	1,195
Interest paid to a shareholder (<i>Note iii</i>)	166	1,399
Advertising expenses paid to related companies (<i>Note ii</i>)	544	76

Notes:

- (i) A director and a substantial shareholder of the Company have deemed interests in the related companies.
- (ii) These transactions were carried out after negotiations between the Group and the related parties and on the basis of estimated market value as determined by the Directors of the Company.
- (iii) The interest received or paid by the Group is calculated by reference to the principal outstanding and at the prevailing market interest rates.