1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries, associates and jointly controlled entities are set out in note 44.

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted, for the first time, a number of new and revised Statements of Standard Accounting Practice ("SSAP(s)") issued by the Hong Kong Society of Accountants. The adoption of these standards has resulted in a change in the format of presentation of the cash flow statement and the inclusion of the statement of changes in equity but has had no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required. Further details of the effect on adopting these new and revised standards are as follows:

Foreign currencies

The revisions to SSAP 11 "Foreign Currency Translation" have eliminated the choice of translating the income statements of overseas operations at the closing rate for the period, the policy previously followed by the Group. They are now required to be translated at an average rate. This change in accounting policy has not had any material effect on the results for the current or prior accounting periods.

Cash flow statements

In the current year, the Group has adopted SSAP 15 (Revised) "Cash Flow Statements". Under SSAP 15 (Revised), cash flows are classified under three headings – operating, investing and financing, rather than the previous five headings. Interest received, dividends received and interest paid, which were previously presented under separate headings, are classified as investing or operating cash flows, as appropriate. Cash flows arising from taxes on income are classified as operating activities, unless they can be separately identified with investing or financing activities. In addition, the amounts presented for cash and cash equivalents have been amended to exclude short-term loans that are financing in nature. Cash flows of overseas operations have been re-translated at the rates prevailing at the dates of the cash flows rather than the rate of exchange ruling on the balance sheet date. The re-definition of cash and cash equivalents has resulted in a restatement in the comparative amounts shown in the cash flow statement.

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE (continued)

Employee benefits

In the current year, the Group has adopted SSAP 34 "Employee Benefits", which introduces measurement rules for employee benefits, including retirement benefits plans. Because the Group participates only in defined contribution retirement benefits schemes, the adoption of SSAP 34 has had not any material impact on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to March 31 each year.

The results of subsidiaries, associates and jointly controlled entities acquired or disposed of during the year are included in the consolidated income statement from the effective dates of acquisition or up to the effective dates of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill arising on acquisitions is capitalized and amortized on a straight line basis over its useful economic life. Goodwill arising on the acquisition of an associate or a jointly controlled entity is included within the carrying value of the associate or jointly controlled entity. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Negative goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition over the cost of acquisition.

To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognized as income on a straight line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognized in income immediately.

Negative goodwill arising on the acquisition of subsidiaries is presented separately in the consolidated balance sheet as a deduction from assets and is released to income based on an analysis of the circumstances from which the balance resulted.

Turnover

Turnover represents the total value of construction contract work carried out and certified and the total value of maintenance work orders performed, and the gross amounts received and receivable for goods sold, less returns and allowances, during the year.

Revenue recognition

Revenue from fixed price construction contracts is recognized according to the stage of completion of the contract, measured by reference to the value of work carried out and certified during the year.

Revenue from maintenance contracts is recognized according to the value of individual work orders performed.

Sales of goods are recognized when goods are delivered and title has passed.

Sales of investments in securities are recognized on a trade-date basis.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Rental income, including rental invoiced in advance, from letting of properties and grab dredgers under operating leases, is recognized on a straight line basis over the period of the relevant lease.

Dividend income from investments is recognized when the Group's right to receive payment has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates plus the goodwill on acquisition in so far as it has not already been written off or amortized, less any identified impairment loss.

Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

Jointly controlled entities

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group's interests in jointly controlled entities are included in the consolidated balance sheet at the Group's share of the net assets of the relevant jointly controlled entities less any identified impairment loss. The Group's share of post-acquisition results of jointly controlled entities is included in the consolidated income statement.

Investments in securities

Investments in securities are recognized on a trade-date basis and are initially measured at cost.

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortized cost, less any impairment loss recognized to reflect irrecoverable amounts. The annual amortization of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognized in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealized gains and losses included in net profit or loss for the year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value based on independent professional valuations at the balance sheet date. Any surplus or deficit arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a deficit, in which case the excess of the deficit over the balance on the investment property revaluation reserve is charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus is credited to the income statement to the extent of the deficit previously charged.

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation, amortization and accumulated impairment losses.

The cost of leasehold land is amortized over the remaining period of the relevant leases or fifty years, whichever is the shorter, using the straight line method.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives, and after taking into account their estimated residual value, using the straight line method, at the following rates per annum:

Buildings	5%
Leasehold improvements	25%
Plant and machinery	10% – 15%
Motor vehicles	15%
Furniture, fixtures and equipment	15% – 25%

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as assets owned by the Group or, where shorter, the term of the relevant lease.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the balance sheet date on the same basis as contract revenue. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognized as an expense in the period in which they are incurred. Foreseeable losses are recognized as an expense as soon as they are anticipated by management.

Where contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as amount due from a customer for contract work. Where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as amount due to a customer for contract work.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which represent assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. Capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalized.

All other borrowing costs are recognized as an expense in the year in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the first-in, first-out method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

The charge for taxation is based on the results for the year after adjusting for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognized in the financial statements. The tax effect of timing differences, computed using the liability method, is recognized as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallize in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted settlement rate. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognized as income or as expenses in the period in which the operation is disposed of.

Retirement benefits schemes

Payments to the defined contribution retirement benefits schemes are charged as an expense as they fall due.

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalized at their fair value at the date of acquisition. The corresponding liability to the lessor, net of interest charges, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the rentals are charged to the income statement on a straight line basis over the relevant lease term.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organized into two operating divisions – construction and maintenance work and manufacturing and trading. These divisions are the basis on which the Group reports its primary segment information:

Construction and maintenance work – Building contractors and maintenance

Manufacturing and trading – Manufacturing and trading of high precision machine parts and electronic component products

Segment information about these businesses is presented below:

INCOME STATEMENT

For the year ended March 31, 2003

	Construction and maintenance work HK$'000	Manufacturing and trading HK$'000	Others HK$'000	Consolidated HK$'000
TURNOVER				
External sales	1,299,733	63,764	2,798	1,366,295
RESULT				
Segment results	9,642	2,943	(5,907)	6,678
Unallocated other operating income				3,801
Unallocated corporate expenses				(12,261)
Loss from operations				(1,782)
Finance costs				(3,186)
Share of results of associates	(4)	–	(4,425)	(4,429)
Share of results of jointly controlled entities	(1,131)	–	(1,500)	(2,631)
Gain on disposal of subsidiaries	–	–	1,225	1,225
Loss on disposal of associates	–	(673)	–	(673)
Allowance for amount due from a jointly controlled entity	–	–	(57)	(57)
Loss before taxation				(11,533)
Taxation				(192)
Loss before minority interests				(11,341)

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

BALANCE SHEET

At March 31, 2003

	Construction and maintenance work HK$'000	Manufacturing and trading HK$'000	Others HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	476,503	63,398	19,839	559,740
Interests in associates	–	–	13,144	13,144
Interests in jointly controlled entities	(582)	–	–	(582)
Unallocated corporate assets				83,383
Consolidated total assets				655,685
LIABILITIES				
Segment liabilities	457,878	15,709	621	474,208
Unallocated corporate liabilities				73,601
Consolidated total liabilities				547,809

OTHER INFORMATION

For the year ended March 31, 2003

	Construction and maintenance work HK$'000	Manufacturing and trading HK$'000	Corporate and others HK$'000	Consolidated HK$'000
Capital additions	806	25,571	27	26,404
Amortization of goodwill	–	–	60	60
Release of negative goodwill	–	–	(60)	(60)
Depreciation and amortization of property, plant and equipment	1,296	6,114	607	8,017
Allowance for bad and doubtful debts	14,500	–	1,087	15,587
Inventory write down	–	1,578	–	1,578
Deficit arising on revaluation of investment properties	–	–	1,000	1,000

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

INCOME STATEMENT

For the year ended March 31, 2002

	Construction and maintenance work HK$'000	Manufacturing and trading HK$'000	Others HK$'000	Consolidated HK$'000
TURNOVER				
External sales	338,670	34,232	1,334	374,236
RESULT				
Segment results	(17,832)	(9,434)	(2,334)	(29,600)
Unallocated other operating income				10,095
Unallocated corporate expenses				(10,961)
Loss from operations				(30,466)
Finance costs				(1,881)
Share of results of associates	–	(6,306)	(13,977)	(20,283)
Share of results of jointly controlled entities	234	–	(1,170)	(936)
Gain on deemed disposal of a subsidiary	–	–	2,141	2,141
Gain on deemed disposal of an associate	–	–	2,904	2,904
Allowance for amount due from an associate	–	–	(367)	(367)
Allowance for amount due from a jointly controlled entity	–	–	(393)	(393)
Loss before taxation				(49,281)
Taxation				789
Loss before minority interests				(50,070)

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

BALANCE SHEET

At March 31, 2002

	Construction and maintenance work HK$'000	Manufacturing and trading HK$'000	Others HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	268,490	43,316	30,940	342,746
Interests in associates	–	6,787	17,497	24,284
Interests in jointly controlled entities	287	–	1,500	1,787
Unallocated corporate assets				71,944
Consolidated total assets				440,761
LIABILITIES				
Segment liabilities	254,923	4,405	199	259,527
Unallocated corporate liabilities				69,362
Consolidated total liabilities				328,889

OTHER INFORMATION

For the year ended March 31, 2002

	Construction and maintenance work HK$'000	Manufacturing and trading HK$'000	Corporate and others HK$'000	Consolidated HK$'000
Capital additions	3,258	5,671	18,006	26,935
Release of negative goodwill	–	–	(11)	(11)
Depreciation and amortization of property, plant and equipment	1,206	3,036	1,841	6,083
Inventory write down	–	192	–	192
Deficit arising on revaluation of investment properties	–	–	1,969	1,969

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Geographical segments

The Group's operations are located in Hong Kong and the People's Republic of China (other than Hong Kong) (the "PRC").

The following table provides an analysis of the Group's turnover and loss from operations by geographical market, irrespective of the origin of the goods or services:

	Turnover		Contribution to loss from operations	
	2003	2002	**2003**	2002
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**1,301,285**	340,084	**10,275**	(23,574)
PRC	**1,433**	–	**(5,787)**	(2,874)
Other Asia Pacific countries	**63,577**	34,152	**2,190**	(3,152)
	1,366,295	374,236	**6,678**	(29,600)
Unallocated other operating income			**3,801**	10,095
Unallocated corporate expenses			**(12,261)**	(10,961)
Loss from operations			**(1,782)**	(30,466)

The following is an analysis of the carrying amount of segment assets and capital additions, analyzed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Capital additions	
	At March 31, 2003	At March 31, 2002	**Year ended March 31, 2003**	Year ended March 31, 2002
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**488,539**	282,474	**803**	3,272
PRC	**56,137**	42,545	**25,601**	23,663
Other Asia Pacific countries	**15,064**	17,727	**–**	–
	559,740	342,746	**26,404**	26,935

5. LOSS FROM OPERATIONS

	2003 **HK$'000**	2002 HK$'000
Loss from operations has been arrived at after charging:		
Staff costs, including directors' emoluments		
– basic salaries and allowances	**39,325**	31,717
– retirement benefits scheme contributions, net of forfeited contributions of HK$146,000 (2002: HK$464,000)	**744**	901
	40,069	32,618
Amortization of goodwill (included in administrative expenses)	**60**	–
Auditors' remuneration	**859**	658
Deficit arising on revaluation of investment properties	**1,000**	1,969
Depreciation and amortization of property, plant and equipment	**8,017**	6,083
Loss on disposal of property, plant and equipment	**154**	–
and after crediting:		
Release of negative goodwill to income (included in other operating income)	**60**	11
Dividend income from investments in unlisted equity securities	**48**	61
Interest income from loans to associates	**–**	1,473
Interest income from investments in unlisted debt securities	**319**	657
Other interest income	**268**	321
Gain on disposal of property, plant and equipment	**–**	2,998
Rental income from grab dredgers in 2002 under operating leases, less outgoings of HK$768,000	**–**	1,263
Rental income from investment properties under operating leases, less outgoings of HK$122,000 (2002: HK$129,000)	**625**	521

6. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Particulars of the emoluments of the directors and five highest paid individuals for the year are as follows:

(a) Directors' emoluments

	2003 HK$'000	2002 HK$'000
Fees:		
Executive directors	**–**	–
Non-executive director	**240**	240
Independent non-executive directors	**120**	120
	360	360
Other emoluments for executive directors:		
Salaries and other benefits	**5,590**	5,053
Retirement benefits scheme contributions	**285**	282
	5,875	5,335
	6,235	5,695

The aggregate emoluments of each of the directors during the relevant periods are within the following bands:

	Number of directors 2003	2002
Up to HK$1,000,000	**5**	5
HK$1,000,001 to HK$1,500,000	**2**	2
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**1**	–

6. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) Employees' emoluments

The five highest paid individuals in the Group included three directors (2002: three directors), details of whose emoluments are included in the disclosures in note 6 (a) above. The emoluments of the remaining two individuals (2002: two individuals) are as follows:

	2003	2002
	HK$'000	HK$'000
Salaries and other benefits	**1,930**	2,034
Retirement benefits scheme contributions	**75**	101
	2,005	2,135

The aggregate emoluments of each of the remaining individuals during the relevant periods are within the following bands:

	Number of individuals	
	2003	2002
Up to HK$1,000,000	**1**	1
HK$1,000,001 to HK$1,500,000	**1**	1

7. FINANCE COSTS

	2003	2002
	HK$'000	HK$'000
Interest on bank borrowings wholly repayable within five years	**2,936**	1,881
Interest on finance leases	**250**	–
	3,186	1,881

8. TAXATION

	2003 HK$'000	2002 HK$'000
The charge comprises:		
(Over) underprovision of Hong Kong Profits Tax in previous years	(31)	554
Share of tax on results of an associate	(161)	236
Share of tax on results of a jointly controlled entity	–	(1)
	(192)	789

No provision for Hong Kong Profits Tax has been made for the year as the group companies which are subject to Hong Kong Profits Tax either incurred tax losses for the year or have tax losses brought forward to set off the assessable profit for the year.

Pursuant to relevant laws and regulations in the PRC, the Group's PRC subsidiaries are entitled to an exemption from PRC income tax for the two years starting from their first profit-making year, followed by a 50% tax reduction for the next three years. No provision for PRC income tax has been made for the year as the Group's PRC subsidiaries were still within the PRC income tax exemption period during the year or they have not made any profit since incorporation.

In the opinion of the directors, the Group is not subject to taxation in other jurisdictions in which it operates.

Details of unrecognized deferred taxation are set out in note 36.

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to shareholders for the year of HK$11,243,000 (2002: HK$49,708,000) and on the weighted average number of approximately 542,867,000 (2002: 482,762,000) shares in issue during the year.

No diluted earnings per share is presented as the exercise of share options for the year ended March 31, 2003 and the exercise of share options or conversion of warrants for the year ended March 31, 2002 would result in a decrease in loss per share.

10. INVESTMENT PROPERTIES

	THE GROUP
	HK$'000
At April 1, 2002	13,000
Deficit arising on revaluation	(1,000)
At March 31, 2003	12,000

The Group's investment properties were revalued at March 31, 2003, on an open market value basis, by LCH (Asia-Pacific) Surveyors Limited, an independent firm of professional property valuers. The revaluation resulted in a deficit of HK$1,000,000 which was charged to the income statement.

All of the Group's investment properties, which are held for rental income under operating leases, are situated in Hong Kong and are held under medium-term leases.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Leasehold improvements	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Total
	HK$'000	HK$'000	HK$'000	HK$000	HK$'000	HK$'000
THE GROUP						
COST						
At April 1, 2002	2,957	4,755	44,792	2,688	9,183	64,375
Additions	–	157	24,681	635	931	26,404
Disposals	–	(298)	(17,870)	(52)	(752)	(18,972)
At March 31, 2003	2,957	4,614	51,603	3,271	9,362	71,807
DEPRECIATION AND AMORTIZATION						
At April 1, 2002	426	3,362	10,493	1,164	4,385	19,830
Provided for the year	57	442	5,813	464	1,241	8,017
Eliminated on disposals	–	(229)	(1,757)	(29)	(319)	(2,334)
At March 31, 2003	483	3,575	14,549	1,599	5,307	25,513
NET BOOK VALUE						
At March 31, 2003	2,474	1,039	37,054	1,672	4,055	46,294
At March 31, 2002	2,531	1,393	34,299	1,524	4,798	44,545

11. PROPERTY, PLANT AND EQUIPMENT (continued)

The net book value of plant and machinery of the Group at March 31, 2003 includes an amount of HK$15,853,000 (2002: Nil) in respect of assets held under finance leases.

The net book value of property interests held by the Group as at the balance sheet date comprises:

	2003	2002
	HK$'000	HK$'000
Leasehold land and buildings held under medium-term leases and situated:		
– in Hong Kong	**1,668**	1,688
– outside Hong Kong	**806**	843
	2,474	2,531

12. GOODWILL

	THE GROUP
	HK$'000
GROSS AMOUNT	
Arising on acquisition of an additional interests in a subsidiary during the year and balance at March 31, 2003	292
AMORTIZATION	
Charge for the year and balance at March 31, 2003	(60)
CARRYING AMOUNT	
At March 31, 2003	232

The goodwill is amortized on a straight line basis of five years.

13. NEGATIVE GOODWILL

	THE GROUP
	HK$'000
GROSS AMOUNT	
At April 1, 2002 and March 31, 2003	303
RELEASED TO INCOME	
At April 1, 2002	11
Released during the year	60
At March 31, 2003	71
CARRYING AMOUNT	
At March 31, 2003	232
At March 31, 2002	292

The negative goodwill is released to income on a straight line basis of five years.

14. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2003	2002
	HK$'000	HK$'000
Unlisted shares, at cost	**91,350**	38,350
Loans to subsidiaries (note below)	**219,114**	209,114
Amounts due from subsidiaries, less allowance	**44,217**	79,710
	354,681	327,174

Note: Loans to subsidiaries include an amount of HK$202,200,000 (2002: HK$177,200,000) advanced to Dickson Construction Company, Limited ("DCCL"). Pursuant to two deeds (2002: one deed) of agreement (the "Agreement") signed amongst the Company, DCCL and The Government of the Hong Kong Special Administrative Region (the "Government"), the Company has agreed and undertaken to DCCL and the Government that it will not demand repayment of the loans to DCCL during the continuance of the Agreement. The Agreement can be terminated provided that any party to the Agreement gives to the other parties three months notice in writing. The Company is also required, from time to time as and when required by the Government, to provide additional capital to DCCL so as to maintain the level of DCCL's working capital required by the Government for the performance of all Government contracts undertaken by DCCL.

14. INTERESTS IN SUBSIDIARIES (continued)

The balances due from subsidiaries are unsecured, interest-free and, other than the amount due from DCCL described above, have no fixed repayment terms. In the opinion of the directors, the amounts will not be repaid within twelve months of the balance sheet date and they are therefore shown as non-current.

None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

Particulars of the Company's principal subsidiaries as at March 31, 2003 are set out in note 44.

15. INTERESTS IN ASSOCIATES

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Share of net assets	**11,436**	15,022
Goodwill (note below)	**1,708**	2,386
Amounts due from associates, less allowance	**–**	6,876
	13,144	24,284
Market value of listed securities in Hong Kong	**4,946**	32,120

The amounts due from associates at March 31, 2002 were unsecured and interest-free. The amounts were fully settled following the disposal of the Group's interests in the relevant associates during the year.

Particulars of the Company's principal associates as at March 31, 2003 are set out in note 44.

15. INTERESTS IN ASSOCIATES (continued)

Note:

Movements during the year in goodwill arising on acquisition of associates are as follows:

	HK$'000
Gross amount of goodwill	
At April 1, 2002 and at March 31, 2003	2,654
Amortization	
At April 1, 2002	268
Charged for the year	678
At March 31, 2003	946
Carrying value	
At March 31, 2003	1,708
At March 31, 2002	2,386

The goodwill is amortized on a straight line basis of five years.

16. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Share of net (liabilities) assets (note)	**(848)**	1,783
Amounts due from jointly controlled entities, less allowance	**266**	4
	(582)	1,787

Note: Additional losses in excess of the carrying amount of an investment in a jointly controlled entity are provided as the Group is committed to its share of obligations incurred by the jointly controlled entity under the relevant joint venture agreement.

The amounts due from jointly controlled entities are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors, the amounts will not be repaid within twelve months of the balance sheet date and are therefore shown as non-current.

Particulars of the Company's principal jointly controlled entities as at March 31, 2003 are set out in note 44.

17. INVESTMENTS IN SECURITIES

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Other investments		
– unlisted equity securities	**544**	583
– debt securities – convertible note	**7,000**	12,000
	7,544	12,583
Carrying amounts analyzed for reporting purposes as:		
Non-current	**544**	12,583
Current	**7,000**	–
	7,544	12,583

In the opinion of the directors, the carrying amounts of the investments approximate to their fair value.

During the year, out of the entire principal amount of the convertible note of HK$12,000,000, which was purchased by the Group during the year ended March 31, 2002, HK$5,000,000 of the convertible note was redeemed at par together with accrued interest.

Subsequent to March 31, 2003, the convertible note was fully redeemed at par together with accrued interest.

18. DEPOSIT MADE FOR ACQUISITION OF AN INVESTMENT IN SECURITIES

The amount represents the partial payment of consideration in connection with the acquisition of a 19% interest in an investment holding company, incorporated in the British Virgin Islands, which intends to invest in the businesses of custom duty consultancy services, provision of warehouse facilities and logistic management in the PRC. At March 31, 2003, the acquisition had not been completed.

19. DEPOSITS MADE FOR ACQUISITION OF INVESTMENT PROPERTIES

The amounts represent the partial payment of consideration in connection with the acquisition of two properties in the PRC. At March 31, 2003, the acquisition had not been completed.

20. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Contracts in progress at the balance sheet date:		
Contract costs incurred to date	**1,173,823**	216,057
Recognized profits less recognized losses	**41,629**	3,393
	1,215,452	219,450
Less: Progress billings	**(1,184,064)**	(216,586)
	31,388	2,864
Represented by:		
Amounts due from customers included in current assets	**32,838**	7,336
Amounts due to customers included in current liabilities	**(1,450)**	(4,472)
	31,388	2,864

21. INVENTORIES

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
COST		
Raw materials	**3,800**	3,663
Work in progress	**440**	325
Finished goods	**662**	574
	4,902	4,562

Cost of inventories recognized as expenses during the year ended March 31, 2003 is approximately HK$41,378,000 (2002: HK$20,808,000).

22. TRADE AND OTHER RECEIVABLES

The credit term granted by the Group to its trade customers normally ranges from 30 days to 90 days.

Included in trade and other receivables are trade receivables of HK$400,810,000 (2002: HK$236,191,000) and their aged analysis is as follows:

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Aged:		
Current	**394,453**	234,375
1 – 30 days overdue	**6,192**	1,816
31 – 60 days overdue	**165**	–
	400,810	236,191

At March 31, 2003, retentions held by customers for contract work amounted to HK$34,513,000 (2002: HK$25,573,000).

23. LOANS TO ASSOCIATES

The amounts at March 31, 2003 are unsecured, interest-free and receivable within one year.

The amount at March 31, 2002 was unsecured, receivable within one year and bore interest at the rate of Hong Kong prime rate plus 1% to 2%. The amount was fully settled during the year.

24. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$414,278,000 (2002: HK$222,620,000) and their aged analysis is as follows:

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Aged:		
Current	**412,050**	222,192
1 – 30 days overdue	**1,819**	428
Over 30 days overdue	**409**	–
	414,278	222,620

25. AMOUNTS DUE TO ASSOCIATES/AMOUNT DUE TO A MINORITY SHAREHOLDER OF A SUBSIDIARY

The amounts are unsecured, interest-free and have no fixed repayment terms.

26. BORROWINGS

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Bank loans	**60,720**	60,859
Loans from a financial institution	**–**	5,244
Bank overdrafts	**–**	2,507
	60,720	68,610
Analyzed as:		
Secured	**57,998**	68,610
Unsecured	**2,722**	–
	60,720	68,610

	2003	2002
	HK$'000	HK$'000
The borrowings are repayable as follows:		
Within one year or on demand	**60,720**	40,610
More than one year but not exceeding two years	**–**	28,000
	60,720	68,610
Less: Amount due within one year and shown under current liabilities	**(60,720)**	(40,610)
Amount due after one year	**–**	28,000

27. OBLIGATIONS UNDER FINANCE LEASES

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2003	2002	**2003**	2002
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**4,910**	–	**4,377**	–
More than one year but not exceeding two years	**4,811**	–	**4,521**	–
More than two years but not exceeding five years	**2,842**	–	**2,778**	–
	12,563	–	**11,676**	–
Less: future finance charges	**887**	–	**–**	–
Present value of lease obligations	**11,676**	–	**11,676**	–
Less: Amount due within one year and shown under current liabilities			**4,377**	–
Amount due after one year			**7,299**	–

It is the Group's policy to lease certain of its plant and machinery under finance leases. The average lease term is three years. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessors' charges over the leased assets (see note 11).

28. AMOUNTS DUE TO SUBSIDIARIES

The amounts are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors, the amounts will not be repaid within twelve months of the balance sheet date and are therefore shown as non-current.

29. SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Ordinary shares of HK$0.10 each		
Authorized:		
At April 1, 2001, April 1, 2002 and March 31, 2003	2,000,000	200,000
Issued and fully paid:		
At April 1, 2001 and April 1, 2002	482,762	48,276
Issue of shares on placement	79,200	7,920
At March 31, 2003	561,962	56,196

Pursuant to a placing agreement entered into on June 14, 2002, the Company issued 79,200,000 ordinary shares of HK$0.10 each at a price of HK$0.12 per share. The price of HK$0.12 per share represents a discount of approximately 13% to the closing price of the Company's shares on June 14, 2002 as quoted on the Stock Exchange. The net proceeds of the placement of approximately HK$9.5 million were used for additional working capital of the Group.

These new shares were issued under the general mandate granted to the directors at annual general meeting of the Company held on August 31, 2001.

All the shares issued during the year rank pari passu with the then existing shares in all respects.

30. SHARE OPTION SCHEME

Pursuant to the share option scheme (the "Scheme") adopted by the Company on December 10, 1992, the board of directors of the Company may grant options to any director or employee of the Company and its subsidiaries to subscribe for shares in the Company. The Scheme expired on December 9, 2002.

The following table discloses movements in the Company's share options granted to the directors of the Company during each of the two years ended March 31, 2003:

		Number of shares under options				
Date of grant	Exercise price HK$	Outstanding at April 1, 2001	Cancelled during the year ended March 31, 2002	Outstanding at April 1, 2002	Lapsed during the year ended March 31, 2003	Outstanding at March 31, 2003
January 5, 2001	0.128	2,500,000	(500,000)	2,000,000	(2,000,000)	–

Other than the directors of the Company, no options have been granted under the Scheme to other employees of the Group since its adoption.

The options granted on January 5, 2001 could have been exercised at any time during the period from January 5, 2001 to July 4, 2002. All options lapsed thereafter.

31. RESERVES

	Share premium HK$'000	Capital redemption reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
THE COMPANY				
At April 1, 2001	115,540	109	(12,039)	103,610
Loss for the year	–	–	(24,696)	(24,696)
At April 1, 2002	115,540	109	(36,735)	78,914
Premium arising on issue of shares	1,584	–	–	1,584
Expenses incurred in connection with the issue of shares	(53)	–	–	(53)
Loss for the year	–	–	(30,313)	(30,313)
At March 31, 2003	117,071	109	(67,048)	50,132

32. DISPOSAL OF SUBSIDIARIES

	2003 HK$'000	2002 HK$'000
Net assets disposed of:		
Trade and other payables	**(23)**	–
Translation reserves realized on disposal	**(351)**	–
	(374)	–
Gain on disposal of subsidiaries	**1,225**	–
	851	–
Satisfied by cash	**851**	–

Net cash inflow arising on disposal of these subsidiaries:

	2003 HK$'000	2002 HK$'000
Cash consideration	**851**	–

The subsidiaries disposed of during the year did not have significant contribution to the Group's cash flows or operating results.

33. DEEMED DISPOSAL OF A SUBSIDIARY

	2003	2002
	HK$'000	HK$'000
Net assets disposed of:		
Property, plant and equipment	–	3
Trade and other receivables	–	266
Bank balances and cash	–	1,977
Trade and other payables	–	(282)
Amount due to a group company	–	(84)
Minority interests	–	(591)
	–	1,289
Gain on deemed disposal of a subsidiary	–	2,141
	–	3,430
Satisfied by:		
Reclassification to interest in an associate	–	3,430

Analysis of the outflow of cash and cash equivalents in connection with the deemed disposal of the subsidiary:

	2003	2002
	HK$'000	HK$'000
Bank balances and cash disposed of	–	(1,977)

The subsidiary disposed of during the year ended March 31, 2002 did not have significant contribution to the Group's cash flows or operating results.

34. PURCHASE OF A SUBSIDIARY

	2003	2002
	HK$'000	HK$'000
Net assets acquired:		
Property, plant and equipment	–	18,003
Trade and other receivables	–	829
Bank balances and cash	–	97
Trade and other payables	–	(887)
Amounts due to group companies	–	(10,902)
Minority interests	–	(2,261)
	–	4,879
Negative goodwill arising on acquisition	–	(303)
	–	4,576
Satisfied by:		
Cash paid on acquisition	–	1,600
Share of net assets of an associate prior to acquisition reclassified on becoming a subsidiary	–	2,976
	–	4,576

Analysis of net outflow of cash and cash equivalents in connection with purchase of the subsidiary:

	2003	2002
	HK$'000	HK$'000
Bank balances and cash acquired	–	97
Cash paid on acquisition	–	(1,600)
Net outflow of cash and cash equivalents in connection with the purchase of the subsidiary	–	(1,503)

The subsidiary acquired during the year ended March 31, 2002 did not have significant contribution to the Group's cash flows or operating results.

35. MAJOR NON-CASH TRANSACTIONS

a. During the year ended March 31, 2003, the Group acquired from the lessor certain machines which were previously held under an operating lease. The consideration payable was set off against the rental deposits amounting to HK$7,316,000 paid to the lessor as at March 31, 2002.

b. During the year ended March 31, 2003, the Group entered into finance leases in respect of the acquisition of property, plant and equipment. The total capital value at the inception of the leases was HK$9,055,000.

c. During the year ended March 31, 2002, the Group converted HK$8,750,000 of the convertible note subscribed by the Group in the year ended March 31, 2001 into 25% of the issued share capital of an associate.

d. During the year ended March 31, 2002, a portion of the loan to an associate in the sum of HK$6,306,000 was capitalized as an additional capital in that associate.

36. UNRECOGNIZED DEFERRED TAXATION

The components of deferred taxation credit (charge) not recognized for the year are as follows:

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Tax effect of timing differences arising from:		
Difference between tax allowances and depreciation	**(858)**	1,276
Tax losses (utilized) arising	**(486)**	926
	(1,344)	2,202

36. UNRECOGNIZED DEFERRED TAXATION (continued)

The components of potential net deferred tax asset (liability) at the balance sheet date not recognized in the financial statements are as follows:

	THE GROUP		THE COMPANY	
	2003	2002	**2003**	2002
	HK$'000	HK$'000	**HK$'000**	HK$'000
Tax effect of timing differences attributable to:				
Excess of tax allowances over depreciation	**(1,560)**	(702)	**–**	–
Tax losses	**7,663**	8,149	**69**	173
	6,103	7,447	**69**	173

The potential net deferred tax asset of the Group and the Company has not been recognized in the financial statements as it is uncertain whether the potential tax benefits will be realized in the foreseeable future.

37. OPERATING LEASE ARRANGEMENTS

The Group as lessee

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Minimum lease payments paid under operating leases during the year are as follows:		
Premises	**4,005**	4,353
Machines	**–**	2,400
	4,005	6,753

37. OPERATING LEASE ARRANGEMENTS (continued)

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	THE GROUP		THE COMPANY	
	2003	2002	**2003**	2002
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**1,735**	3,214	**1,230**	–
In the second to fifth year inclusive	**3,580**	5,315	**1,722**	–
	5,315	8,529	**2,952**	–

Leases are negotiated for an average term of three years and the rentals are fixed during the relevant lease periods.

The Company had no non-cancellable operating lease commitments at the balance sheet date.

The Group as lessor

Rental income earned under operating leases during the year is as follows:

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Premises	**747**	650
Grab dredgers	**–**	2,031
	747	2,681

At March 31, 2003, the Group had contracted with tenants for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Within one year	**518**	402
In the second to fifth year inclusive	**285**	–
	803	402

38. CAPITAL COMMITMENTS

	THE GROUP	
	2003	2002
	HK$'000	HK$'000
Capital expenditure contracted for but not provided in the financial statements in respect of:		
– acquisition of investment properties	**12,184**	–
– acquisition of an investment in securities	**8,000**	–
	20,184	–

The Company had no capital commitment at the balance sheet date.

39. RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution retirement benefits scheme for all qualifying employees. The assets of the scheme are separately held in funds under the control of an authorized insurer.

The cost charged to the income statement represents contributions payable to the funds by the Group at rates specified in the rules of the scheme. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

At the balance sheet date, there were no significant forfeited contributions which arose upon employees leaving the scheme prior to their interests in the Group's contributions becoming fully vested and which are available to reduce the contributions payable by the Group in future years.

In addition to the retirement benefits scheme operated by the Group, the Group is required to contribute respectively to Mandatory Provident Fund and central pension schemes for certain Group's employees in Hong Kong and the PRC based on applicable rates of monthly salary in accordance with government regulations.

40. CONTINGENT LIABILITIES

At March 31, 2003, the Company executed guarantees amounting to HK$141,571,000 (2002: HK$129,100,000) in favor of certain banks and a financial institution to secure credit facilities granted to its subsidiaries.

In addition, at March 31, 2003, the Group executed a guarantee amounting to HK$1,720,000 (2002: Nil) in favor of an insurance company to secure the issuance of a performance bond in respect of a property services contract undertaken by an associate.

41. PERFORMANCE BONDS

At March 31, 2003, the Group had outstanding performance bonds amounting to HK$13,942,000 (2002: HK$26,588,000) in respect of construction contracts.

42. PLEDGE OF ASSETS

THE GROUP

At March 31, 2003, the following items were used to secure credit facilities granted to the Group or to secure issuance of performance bonds in respect of construction contracts:

(a) pledge of the Group's bank deposits of HK$10,075,000 (2002: HK$10,075,000);

(b) pledge of certain of the Group's other deposits of HK$2,926,000 (2002: Nil);

(c) pledge of the Group's investment properties and leasehold land and buildings situated in Hong Kong with net book value of HK$12,000,000 (2002: HK$13,000,000) and HK$1,668,000 (2002: HK$1,688,000), respectively;

(d) assignment of trade receivables by the Group of HK$3,000,000 (2002: Nil); and

(e) assignment of rental income received and receivable from the above-mentioned investment properties.

THE COMPANY

At March 31, 2003, the Company had pledged bank deposits of HK$10,075,000 (2002: HK$10,075,000) to certain banks to secure credit facilities granted by the banks to the Company and a subsidiary.

43. RELATED PARTY DISCLOSURES

The significant transactions with related parties during the year, and significant balances with them at the balance sheet date are as follows:

(I) Transactions

		THE GROUP	
		2003	2002
Related parties	**Nature of transactions**	**HK$'000**	HK$'000
Associates of the Group	Loan interest charged by the Group (note i)	**–**	1,489
International Taxation Advisory Services Limited and Corporate Advisory Services Limited	Professional fees paid by the Group in connection with taxation and advisory services (note ii)	**375**	465
ACons Technology Limited ("ACons ")	Provision of tendering system services to the Group (note iii)	**600**	–
	Purchase of an electronic tendering software by the Group (note iii)	**300**	–

(II) Balances

Details of balances with the Group's associates are set out in notes 15, 23 and 25 whereas details of balances with the Group's jointly controlled entities are set out in note 16.

(III) Other

Details of a guarantee executed by the Group in favor of an insurance company to secure the insurance of a performance bond in respect of a property services contract undertaken by an associate are set out in note 40.

Notes:

i. Interest was charged at 1% – 2% above Hong Kong prime rate.

ii. Mr. Wong Wai Kwong, David, a former independent non-executive director of the Company, is a director of International Taxation Advisory Services Limited and Corporate Advisory Services Limited. The transactions were carried out on terms determined and agreed by both parties. Mr. Wong Wai Kwong, David resigned as a director of the Company on May 2, 2003.

iii. Mr. Chin Wai Keung, Richard, a director of the Company and of ACons, has an indirect controlling interest in ACons. ACons is also an associate of the Group. The transactions were carried out on terms determined and agreed by both parties.

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Details of the Company's principal subsidiaries at March 31, 2003 are as follows:

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid share/ registered capital	Proportion of issued share/registered capital held by the Company Directly %	Indirectly %	Principal activities
AssetsB2B.com Limited	Hong Kong	HK$3,000,000 ordinary shares	–	100	Provision of internet based services
Bright Town Investment Limited	Hong Kong	HK$10,000 ordinary shares	–	100	Property investment
Colour Paint Limited	Hong Kong	HK$1,000,000 ordinary shares	–	65	General trading
Cosonic Inc.	British Virgin Islands	US$1 ordinary share	–	100	Investment holding
Cosonic-Lun Ming Joint Venture	Hong Kong	(note below)	–	75	Building contractors
Dickson Civil Engineering Limited	Hong Kong	HK$1,000,000 ordinary shares	100	–	Building contractors
Dickson Construction (China) Limited	British Virgin Islands	US$1 ordinary share	100	–	Investment holding
Dickson Construction Company, Limited	Hong Kong	HK$85,000,000 ordinary shares	100	–	Building contractors
Dickson Construction (Housing) Limited	Hong Kong	HK$7,000,000 ordinary shares	100	–	Building contractors
Dickson Construction (Maintenance) Limited	Hong Kong	HK$2 ordinary shares	100	–	Building maintenance

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (continued)

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid share/ registered capital	Proportion of issued share/registered capital held by the Company Directly %	Indirectly %	Principal activities
Dickson (China) Enterprises Limited	Hong Kong	HK$1,000,000 ordinary shares	–	100	General trading
Dickson (China) Holdings Limited	Cook Islands	US$1 ordinary share	–	100	Investment holding
Dickson (Pacific) Limited	British Virgin Islands	US$1 ordinary share	100	–	Investment holding
Dickson Properties Limited	Hong Kong	HK$10,000 ordinary shares	–	100	Investment holding
Dongguan Sunlight Precision Steel Co., Ltd.	PRC	HK$27,100,000 registered capital	–	100	Manufacturing and trading
i-Concepts Investment Limited	British Virgin Islands	US$1 ordinary share	–	100	Investment holding
Pattern Logistic Limited	British Virgin Islands	US$1 ordinary share	100	–	Investment holding
Roboshop International Limited	Hong Kong	HK$15,000,000 ordinary shares	–	100	General trading and investment holding
Uni-Technic Company Limited	Hong Kong	HK$100,000 ordinary shares	–	100	Computer products trading and provision of information technology services

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (continued)

Note:

Cosonic-Lun Ming Joint Venture ("Cosonic-Lun Ming") is an unincorporated entity established and held by Cosonic Inc., a subsidiary of the Company, and Lun Ming Construction Company Limited holding 75% and 25%, respectively. At March 31, 2003, the Group had contributed working capital of HK$1,875,000 (2002: HK$1,875,000) to Cosonic-Lun Ming.

All principal subsidiaries operate in Hong Kong except Dickson (China) Enterprises Limited and Dongguan Sunlight Precision Steel Co., Ltd. which operate in the PRC.

Dongguan Sunlight Precision Steel Co., Ltd. was registered as a wholly foreign-owned enterprise in the PRC.

Details of the Company's principal associates at March 31, 2003 are as follows:

Name of associate	Place of incorporation/ registration	Issued and fully paid share/ registered capital	Proportion of issued share/ registered capital held by the Company		Principal activities
			Directly %	Indirectly %	
ACons Technology Limited	Hong Kong	HK$1,000,000 ordinary shares	–	40	Computer software development
Cardlink Technology Group Limited	Cayman Islands	HK$32,000,000 ordinary shares	–	18.3	Investment holding and provision of management services
Fullsky Management Limited	Hong Kong	HK$10,000 ordinary shares	–	40	Provision of property management services
i-LegalService Limited	Hong Kong	HK$5,034,962 ordinary shares	–	44.78	Provision of e-commerce business

All principal associates operate in Hong Kong.

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (continued)

Details of the Company's principal jointly controlled entities at March 31, 2003 are as follows:

Name of jointly controlled entity	Place of registration	Issued and fully paid share/ registered capital	Proportion of issued share/ registered capital held by the Company Directly %	Indirectly %	Principal activities
Dickson-Lap Kei Joint Venture	Hong Kong	(note i below)	–	50	Building contractors
Sun Fook Kong – Dickson Joint Venture	Hong Kong	(note ii below)	–	50	Building contractors

Notes:

i. Dickson-Lap Kei Joint Venture is an unincorporated joint venture established and equally held by Lap Kei (Wing Yip) Engineering Company Limited and Dickson Construction Company, Limited, a subsidiary of the Company. At March 31, 2003, the Group had contributed working capital of HK$260,000 (2002: HK$4,250) to this joint venture.

ii. Sun Fook Kong – Dickson Joint Venture is an unincorporated joint venture established and equally held by Sun Fook Kong (Civil) Limited and Dickson Construction Company, Limited. At March 31, 2002, the contributed capital was fully returned to the Group.

All principal jointly controlled entities operate in Hong Kong.

The above tables list the subsidiaries, associates and jointly controlled entities of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries, associates and jointly controlled entities would, in the opinion of the directors, result in particulars of excessive length.

45. POST BALANCE SHEET EVENT

Subsequent to March 31, 2003, the entire principal amount of the convertible note of HK$7,000,000 referred to in note 17 was redeemed at par together with accrued interest.