

INTERIM REPORT

02 | 03

中期業績報告



continuing expansion



building collaboration



pool of resources



prudent investment



solid foundation

ITC

ITC Corporation Limited

德祥企業集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

The board of directors (the "Board") of ITC Corporation Limited (the "Company") presents the interim financial report and condensed financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2002.

INTERIM DIVIDEND

On the basis of the accounts, the Board has resolved not to pay interim dividend for the six months ended 30th September, 2002 (2001: NIL).

Preference share dividend on the 267,980,000 compulsorily convertible cumulative preference shares at HK\$0.069 per share per annum has not been accrued for the period under review.

BUSINESS REVIEW AND OUTLOOK

Results and financial highlights

The results of the Group during the six months ended 30th September, 2002 are summarised below:

- Consolidated turnover was HK\$13.7 million, a decrease of 41.7% as compared to the last corresponding period of HK\$23.5 million. The decrease in turnover was mainly due to the decrease in interest income resulting from the drop in interest rate.
- Loss from operations was HK\$3.5 million, as compared with the profit of HK\$10.6 million for the last corresponding period mainly due to the impairment loss recognised on investment securities.
- Loss for the period increased to HK\$99.2 million, as compared to the loss of HK\$7.0 million for the last corresponding period mainly due to the impairment loss recognised on investment securities and share of losses of associates.
- Basic loss per ordinary share for the period was HK\$0.172 (2001: loss per share of HK\$0.028).
- Current ratio was 0.37, a decrease of 19.6% as compared to 0.46 as at 31st March, 2002.
- Total assets of the Group decreased by 3.8% to HK\$2,035.3 million and shareholders' funds decreased by 6.6% to HK\$1,391.0 million, as compared with the total assets and shareholders' funds as at 31st March, 2002.

德祥企業集團有限公司(「本公司」)董事局(「董事局」)提呈本公司及其附屬公司(「本集團」)截至二零零二年九月三十日止六個月之中期財務報告及簡明財務報表。

中期股息

基於會計帳目，董事局議決就截至二零零二年九月三十日止六個月不派付中期股息(二零零一年：無)。

267,980,000股強制性可換股累積優先股股息每股每年0.069港元並未於所回顧之期間累計。

業務回顧及展望

業績及財務概覽

於截至二零零二年九月三十日止六個月，本集團之業績概述如下：

- 綜合營業額為13,700,000港元，較去年同期之23,500,000港元減少41.7%。營業額下降之主因是利率下降致利息收入減少。
- 經營業務所得虧損為3,500,000港元，而去年同期則為溢利10,600,000港元，主要因為來自己確認之投資證券折損。
- 期內虧損增至99,200,000港元，去年同期則為虧損7,000,000港元，主因來自己確認之投資證券折損及攤佔聯營公司之虧損。
- 期內之每股普通股基本虧損為0.172港元(二零零一年：每股虧損0.028港元)。
- 流動資產與流動負債比率為0.37，較二零零二年三月三十一日之0.46下降19.6%。
- 與於二零零二年三月三十一日之總資產及股東資金比較，本集團之總資產下降3.8%，降至2,035,300,000港元，而股東資金則下降6.6%，降至1,391,000,000港元。

Review of operations

During the six months ended 30th September, 2002, the Group continued to hold significant interests, both directly or indirectly, in a number of companies listed in Hong Kong, Canada, Australia, Singapore and the United States and also high potential unlisted investments pursuant to its long term strategy of exploring potential investments and enhancing the value of its strategic investments by active participation in or close liaisons with the management of the companies invested by the Group. As at 30th September, 2002, the Group had the following strategic investments:

Listed strategic investments directly held

Paul Y. - ITC Construction Holdings Limited ("Paul Y. - ITC")

The Paul Y. - ITC group's principal business includes, building construction, civil engineering, specialist works, property development and investment, and manufacturing and trading of construction materials. Paul Y. - ITC also holds 36.6% interest in Downer EDI Limited and 14.5% interest in China Strategic Holdings Limited as strategic investments. For the six months ended 30th September, 2002, Paul Y. - ITC reported a consolidated loss for the period of HK\$31.8 million and its after tax contribution to the Group was a loss of HK\$13.5 million.

Hanny Holdings Limited ("Hanny")

The Hanny group's principal business includes, inter alia, the manufacturing, distribution and marketing of data storage media (primarily floppy disks, CD-R and CD-RW) and the distribution and marketing of computer accessories, storage media drives, scanners, audio and video cassettes, minidisks, household electronic products and telecommunication accessories, through its core Memorex® business, and securities trading. Hanny also holds strategic investment in Provisions Suppliers Corporation Limited. For the six months ended 30th September, 2002, Hanny reported a consolidated loss for the period of HK\$144.9 million and its after tax contribution to the Group was a loss of HK\$40.6 million.

業務回顧

於截至二零零二年九月三十日止六個月，本集團繼續直接或間接持有多家具優厚增長潛力之香港、加拿大、澳洲、新加坡及美國上市公司及擁有優厚潛力之非上市投資項目之重大權益，以貫徹其物色具潛力投資項目之長遠策略及透過主動參與管理本集團所投資公司或與管理層緊密聯繫以提高策略性投資項目之價值。於二零零二年九月三十日，本集團之策略性投資項目如下：

直接持有之上市策略性投資項目

保華德祥建築集團有限公司（「保華德祥」）

保華德祥集團之主要業務包括樓宇建築、土木工程、專項工程、物業發展及投資、建築材料製造及貿易。保華德祥並持有 Downer EDI Limited 36.6%之權益及中策集團有限公司 14.5%之權益作策略性投資。於截至二零零二年九月三十日止六個月，保華德祥錄得之期內綜合虧損為31,800,000港元，而為本集團帶來之除稅後貢獻則為虧損13,500,000港元。

錦興集團有限公司（「錦興」）

錦興集團主要從事（其中包括）透過其核心之 Memorex® 生產、分銷及推廣資料儲存媒體（主要為軟磁碟、收錄光碟及重寫光碟）、分銷及推廣電腦配件及儲存媒體驅動器、掃描器、影音盒帶、迷你光碟、家居電子產品及電訊配件，以及證券投資。錦興並持有普威聯營有限公司之策略性投資項目。於截至二零零二年九月三十日止六個月，錦興錄得之期內綜合虧損為144,900,000港元，而為本集團帶來之除稅後貢獻則為虧損40,600,000港元。

Burcon NutraScience Corporation ("Burcon")

Burcon is a research and development company specialised in developing its plant protein extraction and purification technology. The goal of Burcon's research is to develop its patented process to utilise inexpensive oilseed meals for the production of purified plant proteins that exhibit certain nutritional, functional or nutraceutical profiles. Burcon is currently focusing its efforts in developing the world's first commercial canola proteins, namely Puratein® and Supertein™, with unique functional and nutritional profiles. Since Burcon was still in the stage of research and development of its business, its results and contribution to the Group for the six months ended 30th September, 2002 were not significant.

Star East Holdings Limited ("Star East")

Star East is principally engaged in entertainment-related business with the goal to become a fully integrated entertainment and media conglomerate in the Asia Pacific region. Its major business includes the production, distribution and licensing of movies, television drama series, documentary and infotainment programmes; franchising and operation of "Planet Hollywood" and "Star East" theme restaurants in Asia Pacific region; strategic investment in M Channel Corporation Limited; talent management, music production, event marketing and property investment. For the six months ended 30th September, 2002, Star East reported a consolidated loss for the period of HK\$76.7 million and its after tax contribution to the Group was a loss of HK\$19.0 million.

*M Channel Corporation Limited ("M Channel")
(formerly 36.com Holdings Limited)*

M Channel is principally engaged in the out-of-home audio and video media business. Out-of-home audio and video advertising is proven to be an effective way of advertising that offers various advantages to advertisers such as production flexibility and cost effectiveness in comparison with television, newspapers and magazines. M Channel has expanded its client base to cover different business sectors, by installing multi-media telecasting systems in buses, public light buses and fixed locations. For the period under review, an impairment loss of HK\$16.8 million was recognised by the Group on its investment in M Channel.

Burcon NutraScience Corporation (「Burcon」)

Burcon乃一家研發公司，現正專注於發展植物蛋白質淨化及提取技術，其研究之目的是自行開發利用廉宜之油籽粉以生產營養價值高及效能廣泛之高度淨化植物蛋白質之專利工序。Burcon目前致力發展全球首種商用芥花籽蛋白質Puratein®及Supertein™，兩種產品均具有獨特之效能及營養價值。由於Burcon仍處於研究及開發本身業務之階段，故其於截至二零零二年九月三十日止六個月之業績及對本集團之貢獻並不重大。

東方魅力集團有限公司(「東方魅力」)

東方魅力主要經營與娛樂事業相關之業務，該公司之目標乃成為亞太區一間全面之綜合娛樂及媒體集團。該公司之主要業務包括製作、發行電影、電視連續劇、紀錄片及資訊娛樂節目以及有關之版權業務；在亞太區特許經營及營運「Planet Hollywood」及「Star East」主題餐廳；於流動廣告有限公司之策略投資；才藝管理、音樂製作、盛會推廣及物業投資。截至二零零二年九月三十日止六個月，東方魅力錄得之期內綜合虧損為76,700,000港元，而為本集團帶來之除稅後貢獻則為虧損19,000,000港元。

*流動廣告有限公司(「流動廣告」)
(前稱36.com Holdings Limited)*

流動廣告主要從事戶外影音媒體業務。戶外影音媒體廣告經證實為有效之廣告方式，而有關方式為廣告商提供多項優勢，包括製作靈活性及較電視、報章及雜誌更具成本效益。流動廣告已擴大其客戶基礎至涵蓋不同行業，並於巴士、公共小巴以及固定地點裝設多媒體電子廣播系統。於回顧期間內，本集團已就其於流動廣告之投資確認16,800,000港元之折損。

Listed strategic investments indirectly held*Downer EDI Limited ("Downer")*

Downer is the second largest Australian listed engineering, infrastructure and resource services company. The Downer group is a value-adding service provider with focus on the Australian, New Zealand and Asian markets. The Downer group has been increasingly a preferred supplier in the provision of outsourced services and the management of assets for both public and private infrastructure, comprising mining, power, rail, road, and telecommunications.

Provisions Suppliers Corporation Limited ("PSC")

The principal activities of PSC are those relating to the supply of household consumer products. The subsidiaries of PSC are principally engaged in investment holding; supply of agency products to supermarkets, hotels, institutions and provision shops; marketing and distribution of chemical products; and supply of provisions and household products. PSC also manages a well-established network of franchise stores and possesses various brand names.

China Strategic Holdings Limited ("China Strategic")

China Strategic is an investment holding company and the subsidiaries of which are principally engaged in the business of tire manufacturing; manufacturing, retailing and distribution of Chinese medicine, western pharmaceuticals and health food under the brand names of Tung Fong Hung and Jean-Marie; and also investment in infrastructure projects.

Sing Pao Media Group Limited ("Sing Pao Media")

The Sing Pao Media group is principally engaged in the printing media business with publications such as Sing Pao Daily News and Wide Angle magazine. The Sing Pao Media group also provides extensive news and entertainment content and related services through its websites, singpao.com and stareastnet.com.

*Rosedale Hotel Group Limited ("Rosedale Hotel")
(formerly China Land Group Limited)*

Rosedale Hotel is principally engaged in hotel operations, property trading and development in the PRC. Upon completion of the group reorganisation on 2nd December, 2002, Rosedale Hotel continues its principal activities with an emphasis on hotel operations and investments, and other leisure-related business.

間接持有之上市策略性投資項目*Downer EDI Limited (「Downer」)*

Downer是澳洲第二大之工程、基建及資源服務上市公司。Downer集團作為以澳洲、紐西蘭及亞洲市場為主之增值服務供應商，並逐漸成為在公共及私人基建工程(包括採礦、能源、鐵路、道路及電訊)提供外判服務及管理資產之優質供應商。

普威聯營有限公司(「普威聯營」)

普威聯營之主要業務乃提供家居消費產品，而普威聯營之附屬公司主要從事投資控股；供應代理產品予超級市場、酒店、機構及糧食店舖；推廣及分銷化工產品；以及供應糧食及家居產品。普威聯營亦管理一個完善之特許經營權店舖網絡並擁有多個品牌。

中策集團有限公司(「中策」)

中策乃一家投資控股公司，而其附屬公司則主要從事輪胎生產；以東方紅及正美之品牌生產、零售及分銷中藥、西藥及保健食品；以及於基建項目之投資。

成報傳媒集團有限公司(「成報傳媒」)

成報傳媒集團主要從事印刷媒體業務及出版刊物，例如《成報》及《廣角鏡》。成報傳媒集團亦透過其網站 singpao.com 及 stareastnet.com 提供豐富之新聞及娛樂內容。

*栢麗酒店集團有限公司(「栢麗酒店集團」)
(前稱中國置地集團有限公司)*

栢麗酒店集團主要於中國從事酒店營運、物業買賣及發展。於二零零二年十二月二日完成集團重組後，栢麗酒店集團繼續經營其現有業務，並專注於酒店經營及投資，以及其他休閒相關業務。

China Enterprises Limited ("China Enterprises")

China Enterprises is one of the largest tire manufacturers in the PRC. China Enterprises manufactures and sells tires and other rubber products in both the PRC and overseas through its sino-foreign joint ventures in the PRC. To diversify away from being over dependence on a single vertical business, China Enterprises continues to seek other investment opportunities and takes an initial step in investing travel related business by acquiring a substantial interest in Ananda Wing On Travel (Holdings) Limited.

Australia Net.Com Limited ("Australia Net")

Given the substantial financial resources, Australia Net continues to look for strategic investment opportunities as they arise so as to maximise return on its capital resources.

*Dong Fang Gas Holdings Limited ("Dong Fang Gas")
(formerly Companion Building Material International Holdings Limited)*

Apart from the existing operation in the ceramic tile business, Dong Fang Gas has dedicated to the development of natural gas business in the PRC which, in its view, has tremendous business potential and is under active growth.

Ananda Wing On Travel (Holdings) Limited ("Ananda")

The Ananda group is principally engaged in the provision of package tours, transportation services and travel-related business. "Wing On Travel", being a business name used by the Ananda group, is recognised as the leader in Hong Kong outbound travel industry. The Ananda group is a well-known expert in the travel industry having extensive experience in marketing and promoting tour business with far-reaching global network and connections in tour operation.

China Enterprises Limited (「China Enterprises」)

China Enterprises是中國其中一家最大之輪胎製造商，並透過其在中國之中外合資企業，在中國及海外生產及銷售輪胎及其他橡膠產品。為免過份倚賴單一垂直業務及作多元化發展，China Enterprises繼續物色其他投資機會及透過收購辰達永安旅遊(控股)有限公司，首次投資旅遊相關業務。

Australia Net.Com Limited (「Australia Net」)

由於坐擁龐大財務資源，Australia Net不斷物色策略投資機會，以盡量提高其資本資源之回報。

*東方燃氣集團有限公司(「東方燃氣」)
(前稱友聯建築材料國際集團有限公司)*

除現有瓷磚業務外，東方燃氣致力發展其中國天然氣業務，並預期中國天然氣行業將展現龐大業務潛力及正在積極增長。

辰達永安旅遊(控股)有限公司(「辰達」)

辰達集團主要從事提供旅遊團、運輸服務及旅遊相關業務。辰達集團採用之商業名稱「永安旅遊」廣為人所熟悉為香港外遊渡假行業之翹楚。辰達集團為旅遊業之專家，於市場推廣及推動旅遊業務方面擁有豐富經驗，且在旅遊營運方面擁有無遠弗屆之全球網絡及聯繫。

The Group's interests in listed strategic investments are summarised below:

本集團於上市策略性投資項目之權益概述如下：

Listed strategic investments directly held

直接持有之上市策略性投資項目

Name of investee company 所投資公司之名稱	Place of listing 上市地點	Shareholding percentage 股權百分比	
		As at 30th September, 2002 於二零零二年九月三十日	As at the date of this report 於本報告刊發日期
Paul Y. - ITC 保華德祥	Hong Kong Stock Exchange 香港聯交所	42.6%	51.1%
Hanny 錦興	Hong Kong Stock Exchange 香港聯交所	28.3%	28.3%
Burcon	TSX Venture Exchange	26.0%	26.0%
Star East 東方魅力	Hong Kong Stock Exchange 香港聯交所	25.9%	25.9%
M Channel 流動廣告	The Growth Enterprise Market of the Hong Kong Stock Exchange 香港聯交所創業板	26.6% <i>Effective interest</i> (Note a) 實際權益 (附註 a)	26.7% <i>Effective interest</i> (Note a) 實際權益 (附註 a)

Listed strategic investments indirectly held

間接持有之上市策略性投資項目

Name of investee company 所投資公司之名稱	Place of listing 上市地點	Effective interest 實際權益	
		As at 30th September, 2002 於二零零二年九月三十日	As at the date of this report 於本報告刊發日期
Downer	Australian Stock Exchange New Zealand Stock Exchange 澳洲證券交易所 紐西蘭證券交易所	15.7% (Note b) (附註 b)	18.7% (Note b) (附註 b)
PSC 普威聯營	Singapore Exchange Securities Trading Limited 新加坡證券交易所	7.8% (Note c) (附註 c)	7.8% (Note c) (附註 c)
China Strategic 中策	Hong Kong Stock Exchange 香港聯交所	10.3% (Note d) (附註 d)	11.6% (Note d) (附註 d)
Sing Pao Media 成報傳媒	The Growth Enterprise Market of the Hong Kong Stock Exchange 香港聯交所創業板	11.7% (Note e) (附註 e)	11.9% (Note e) (附註 e)
Rosedale Hotel 栢麗酒店集團	Hong Kong Stock Exchange 香港聯交所	6.8% (Note f) (附註 f)	4.7% (Note g) (附註 g)
China Enterprises	New York Stock Exchange 紐約證券交易所	5.7% (Note f) (附註 f)	6.4% (Note f) (附註 f)
Australia Net	Australian Stock Exchange 澳洲證券交易所	5.9% (Note f) (附註 f)	6.6% (Note f) (附註 f)
Dong Fang Gas 東方燃氣	Hong Kong Stock Exchange 香港聯交所	4.4% (Note f) (附註 f)	5.0% (Note f) (附註 f)
Ananda 辰達	Hong Kong Stock Exchange 香港聯交所	1.8% (Note h) (附註 h)	2.1% (Note h) (附註 h)

Notes:

- (a) The effective interest of the Group represents its direct interest of 18.8% and indirect interest held through the Group's direct interest in Star East and indirect interest in China Strategic.
- (b) The Group's interest is held through its direct interest in Paul Y. - ITC.
- (c) The Group's interest is held through its direct interest in Hanny.
- (d) The Group's interest is held through its direct interests in Paul Y. - ITC and Hanny.
- (e) The Group's interest is held through its direct interests in Hanny and Star East and indirect interest in China Strategic.
- (f) The Group's interest is held through its indirect interest in China Strategic.
- (g) The Group's interest is held through its indirect interests in China Strategic and Ananda.
- (h) The Group's interest is held through its indirect interest in China Enterprises.

Liquidity and financial resources

Cash, bank balances and deposits as at 30th September, 2002 amounted to approximately HK\$7.6 million. As at 30th September, 2002, the Group's bank overdrafts of approximately HK\$22.4 million are repayable within one year or on demand and other loan of approximately HK\$17.3 million is repayable more than one year but not exceeding two years. The convertible notes in issue at principal values of HK\$580 million will be redeemed within the next twelve months. Arrangements have been made for the redemption of the convertible notes by the issue of new convertible notes as disclosed in the Company's circular dated 23rd September, 2002 and under the section headed "Major events".

All the Group's borrowings are at floating interest rates and the Group's current ratio was 0.37 as at 30th September, 2002.

Exchange rate exposure

As at 30th September, 2002, approximately 9.2% of the cash, bank balances and deposits were in other currencies and only approximately 1.5% of the Group's total borrowings of HK\$618.9 million was denominated in Canadian dollars. The Canadian dollars denominated borrowings are directly tied in with the Group's business in Canada.

Gearing ratio

The Group's gearing ratio, which was calculated using the Group's net borrowings of HK\$611.3 million and the shareholders' funds of HK\$1,391.0 million, was 43.9% as at 30th September, 2002.

附註：

- (a) 本集團之實際權益乃指其18.8%直接權益及透過本集團於東方魅力之直接權益及中策之間接權益而持有之間接權益。
- (b) 本集團之權益透過其於保華德祥之直接權益持有。
- (c) 本集團之權益透過其於錦興之直接權益持有。
- (d) 本集團之權益透過其於保華德祥及錦興之直接權益持有。
- (e) 本集團之權益透過其於錦興及東方魅力之直接權益及於中策之間接權益持有。
- (f) 本集團之權益透過其於中策之間接權益持有。
- (g) 本集團之權益透過其於中策及辰達之間接權益持有。
- (h) 本集團之權益透過其於China Enterprises之間接權益持有。

流動資金及財務資源

於二零零二年九月三十日，現金、銀行結餘及存款約為7,600,000港元。於二零零二年九月三十日，本集團須於一年內或按通知償還之銀行透支約為22,400,000港元，而須於一年後但不超過兩年內償還之其他貸款約為17,300,000港元。本金值為580,000,000港元之已發行可換股票據將於未來十二個月內贖回。如本公司在二零零二年九月二十三日刊發之通函及下文「重大事項」一節所披露，已就透過發行新可換股票據以贖回有關可換股票據作出安排。

本集團全部借款均以浮息計算利息，而本集團於二零零二年九月三十日之流動比率為0.37。

匯率風險

於二零零二年九月三十日，約9.2%之現金、銀行結餘及存款以其他貨幣為單位，而本集團之借款總額618,900,000港元中僅有約1.5%以加元為單位。加元借款乃直接與本集團之加拿大業務有關。

資本負債比率

本集團於二零零二年九月三十日之資本負債比率（以本集團之借款淨額611,300,000港元及股東資金1,391,000,000港元計算）為43.9%。

Pledge of assets

As at 30th September, 2002, certain land and buildings of the Group with an aggregate carrying value of approximately HK\$17.7 million were pledged to banks to secure general facilities granted to the Group.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30th September, 2002.

Employee and remuneration policy

As at 30th September, 2002, the Group employed a total of approximately 44 employees. The Group recruits and promotes individuals based on merit and their development potentials for the positions offered. Remuneration package is determined with reference to their performance and the prevailing salary levels in the market. The Group also offers other benefits to employees including training, provident funds and medical coverage. Through the share option scheme provided to the eligible employees, it is intended to integrate their responsibilities, authority and benefits.

Major events

Proposed redemption of existing convertible notes and proposed placing and subscription of new convertible notes

On 16th September, 2002, the Company and Galaxyway Investments Limited ("Galaxyway"), a controlling shareholder of the Company, entered into a redemption and subscription agreement pursuant to which the Company conditionally agreed to redeem the existing convertible notes in an aggregate principal amount of HK\$250 million issued by the Company to Galaxyway and, in consideration, Galaxyway conditionally agreed to subscribe for new convertible notes with face value amounting up to HK\$250 million. As regards the remaining holders of the existing convertible notes, the Company would offer to them to redeem their existing convertible notes issued by the Company and, in consideration, issue new convertible notes to them at their respective face values under substantially similar terms and conditions as those contained in the redemption and subscription agreement. In addition, pursuant to a conditional placing agreement dated 20th September, 2002, BNP Paribas Peregrine Securities Limited has been appointed by the Company as the placing agent to place, on a best endeavours basis, the new convertible notes of an aggregate principal amount of up to HK\$330,000,000 to the existing noteholders (other than Galaxyway) and/or other independent investors. On 4th October, 2002, supplemental agreements to the above agreements were entered into between the same parties in relation to the completion arrangements of the issue of the new convertible notes.

資產抵押

於二零零二年九月三十日，賬面總值約17,700,000港元之本集團若干土地及樓宇已抵押予銀行，用作本集團獲批出一般貸款之抵押品。

或然負債

本集團於二零零二年九月三十日並無任何重大或然負債。

僱員及酬金政策

於二零零二年九月三十日，本集團已聘用共約44名僱員。本集團乃按個別人士出任職位之能力及發展潛力招聘及晉升員工。員工酬金乃取決於員工之表現及市場當時之薪金水平。本集團亦提供其他福利予僱員，包括培訓、公積金及醫療保障計劃。為合資格僱員設立之購股權計劃旨在將彼等之職責、權力及福利掛鉤。

重大事項

建議贖回現有可換股票據及建議配售及認購新可換股票據

於二零零二年九月十六日，本公司與本公司之控股股東Galaxyway Investments Limited（「Galaxyway」）訂立贖回及認購協議，據此本公司有條件同意贖回本公司發行予Galaxyway本金總額為250,000,000港元之現有可換股票據，而作為代價，Galaxyway有條件同意認購面值不多於250,000,000港元之新可換股票據。就現有可換股票據之其餘持有人而言，本公司將向彼等提呈贖回本公司發行予彼等之現有可換股票據，而作為代價，根據贖回及認購協議所載之大致相若之條款及條件，按新可換股票據各自之面值發行新可換股票據予彼等。此外，根據於二零零二年九月二十日訂立之有條件配售協議，巴黎百富勤證券有限公司已獲本公司委任為配售代理，按「竭盡所能」之基準配售本金總額不多於330,000,000港元之新可換股票據予現有票據持有人（Galaxyway除外）及／或其他獨立投資者。於二零零二年十月四日，以上協議各方已就發行新可換股票據之完成安排為上述協議訂立補充協議。

Making of cash offers to acquire all the issued shares in, and warrants of, Paul Y. - ITC

On 25th October, 2002, the Company announced that its indirect wholly owned subsidiary, Hollyfield Group Limited ("Hollyfield"), through Anglo Chinese Corporate Finance, Limited will make a voluntary conditional cash offer at the price of HK\$0.30 for each share in Paul Y. - ITC, other than those shares owned by the Company or its wholly owned subsidiaries. On 12th December, 2002, the share offer became unconditional as the condition requiring the Group and its concert parties to hold more than 50% of the voting rights attaching to the shares of Paul Y. - ITC has been satisfied. In addition, Hollyfield has also made an offer at the price of HK\$0.01 for each warrant to the holders of warrants of Paul Y. - ITC, other than the Company or its wholly owned subsidiaries.

Dr. Chan Kwok Keung, Charles has agreed to finance the offers in full by granting to the Company on 28th October, 2002, a term loan facility of up to HK\$180 million on an unsecured basis and on normal commercial terms.

Securities in issue

As at the date of this report, the total number of issued ordinary shares of the Company is 630,960,774.

Outlook

During the period, Hong Kong economy was still sluggish with high unemployment rate and fiscal deficit. Nevertheless, the recent steps taken by HKSAR Government to stabilise the property market may improve the economy in the medium or long term. In addition, the persistent high growth in China's GDP will not only make the China market the center stage for global investors but will also provide Hong Kong with significant business opportunities. The Group will build on its existing platform with stringent cost control measures so as to maintain a sound financial management and pursue its long term strategy under a prudent investment and development policy to explore high potential investments and attractive business opportunities. The Group will continue to focus on creating synergy for its strategic investments or among its strategic investments themselves and will remain confident to meet future challenges by taking advantage of the new opportunities lying ahead with its strong financial foundation and diversified investment portfolio.

提出現金收購建議以收購保華德祥之全部已發行股份及認股權證

於二零零二年十月二十五日，本公司宣佈，其間接全資附屬公司Hollyfield Group Limited (「Hollyfield」) 透過英高財務顧問有限公司就保華德祥每股股份0.30港元之價格，提出自願有條件現金收購建議，惟不包括由本公司或其全資附屬公司擁有之該等股份。於二零零二年十二月十二日，由於就本集團及與其一致行動人士須持有隨附於保華德祥股份超過50%投票權之條件已達成，故股份收購建議成為無條件。Hollyfield亦按每份認股權證0.01港元之價格，向認股權證持有人提出收購建議，惟不包括由本公司或其全資附屬公司擁有之該等認股權證。

陳國強博士於二零零二年十月二十八日同意以無抵押方式及按一般商業條款提供最多180,000,000港元之貸款予本公司，為該等收購建議提供全部資金。

已發行證券

於本報告刊發日期，本公司已發行普通股之總數為630,960,774股。

展望

於期內，香港經濟仍然疲弱，失業率高踞不下及財赤情況嚴重。然而，香港特區政府最近採取穩定物業市場之措施，可望於中長線改善經濟情況。此外，中國國內生產總值持續高速增長，將使中國市場成為全球投資者之焦點，更為香港提供龐大商機。本集團將於其業務基礎上發展，採取嚴謹之成本控制措施以維持穩健之財務管理，以及根據審慎之投資及發展政策，實現其物色優厚潛力投資項目及理想商機之長遠策略。本集團將繼續專注為其策略投資項目或於其策略投資項目之間創造協同效益，並仍然深信配合其雄厚財務基礎及多元化投資組合，本集團將可迎接未來之挑戰及掌握日後出現之商機。

DIRECTORS' INTERESTS IN SECURITIES

As at 30th September, 2002, the interests of the directors of the Company in securities of the Company or any of its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register kept by the Company under section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") were as follows:

(a) Interest in the Company

Name of director	Nature of interest	Number of ordinary shares of the Company held	Amount of 2002 convertible notes held	Amount of 2003 convertible notes held
董事姓名	權益性質	所持本公司普通股數目	所持二零零二年可換股票據款額	所持二零零三年可換股票據款額
Chan Kwok Keung, Charles 陳國強	Corporate interest 公司權益	219,681,911	HK\$50,000,000 (note) (附註)	HK\$200,000,000 (note) (附註)

Note: Dr. Chan Kwok Keung, Charles was deemed to have a corporate interest in 219,681,911 ordinary shares of the Company, the 2002 convertible notes with a principal amount of HK\$50,000,000 and in the 2003 convertible notes with a principal amount of HK\$200,000,000 by virtue of his indirect shareholding in Galaxyway which owned these shares and convertible notes.

董事於證券之權益

於二零零二年九月三十日，根據證券（披露權益）條例（「披露權益條例」）第29條規定本公司置存之登記冊所載，本公司董事擁有本公司或其任何相聯法團（按披露權益條例界定）證券之權益，或按香港聯合交易所有限公司（「香港聯交所」）證券上市規則（「上市規則」）所定上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及香港聯交所之權益如下：

(a) 本公司之權益

附註：由於陳國強博士間接持有 Galaxyway 之股權，而 Galaxyway 持有該等股份及可換股票據，故彼被視作擁有 219,681,911 股本公司普通股、本金額 50,000,000 港元之二零零二年可換股票據及本金額 200,000,000 港元之二零零三年可換股票據之公司權益。

(b) Interest in Paul Y. - ITC

Name of director	Nature of interest	Number of shares of Paul Y. - ITC held	Amount of warrants of Paul Y. - ITC held	Number of share options of Paul Y. - ITC held
董事姓名	權益性質	所持保華德祥股份數目	所持保華德祥認股權證款額	所持保華德祥購股權數目
Chan Kwok Keung, Charles 陳國強	Corporate interest 公司權益	441,579,452 (note) (附註)	HK\$34,586,324.80 (note) (附註)	-
Lau Ko Yuen, Tom 劉高原	Personal interest 個人權益	-	-	5,000,000
Chau Mei Wah, Rosanna 周美華	Personal interest 個人權益	-	-	6,100,000
Chan Fut Yan 陳佛恩	Personal interest 個人權益	-	-	5,000,000
Cheung Hon Kit 張漢傑	Personal interest 個人權益	400	HK\$32	-

Note: The shares and warrants were held by a wholly owned subsidiary of the Company. By virtue of his deemed interest in the ordinary share capital of the Company, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares and warrants under the SDI Ordinance.

附註：該等股份及認股權證由本公司之一間全資附屬公司持有。由於陳國強博士被視作擁有本公司普通股股本之權益，故根據披露權益條例，亦被視作擁有該等股份及認股權證之權益。

(c) Interest in Hanny

(c) 錦興之權益

Name of director 董事姓名	Nature of interest 權益性質	Number of shares of Hanny held 所持錦興股份數目	Number of share options of Hanny held 所持錦興購股權數目
Chan Kwok Keung, Charles 陳國強	Corporate interest 公司權益	1,811,952,504 (note) (附註)	-
	Personal interest 個人權益	-	160,000,000
Chan Kwok Hung 陳國鴻	Personal interest 個人權益	-	70,000,000
Cheung Kwok Wah, Ken 張國華	Personal interest 個人權益	-	30,000,000

Note: The shares were held by a wholly owned subsidiary of the Company. By virtue of his deemed interest in the ordinary share capital of the Company, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares under the SDI Ordinance.

附註：該等股份由本公司之一間全資附屬公司持有。由於陳國強博士被視作擁有本公司普通股股本之權益，故根據披露權益條例，亦被視作擁有該等股份之權益。

(d) Interest in Burcon

(d) Burcon之權益

Name of director 董事姓名	Nature of interest 權益性質	Number of common shares of Burcon held 所持Burcon普通股數目	Number of warrants of Burcon held 所持Burcon認股權證數目	Number of share options of Burcon held 所持Burcon購股權數目
Chan Kwok Keung, Charles 陳國強	Corporate interest 公司權益	3,860,000 (note) (附註)	460,000 (note) (附註)	-
	Personal interest 個人權益	280,000	-	40,000

Note: The common shares and warrants were held by wholly owned subsidiaries of the Company. By virtue of his deemed interest in the ordinary share capital of the Company, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares and warrants under the SDI Ordinance.

附註：該等普通股及認股權證由本公司之全資附屬公司持有。由於陳國強博士被視作擁有本公司普通股股本之權益，故根據披露權益條例，亦被視作擁有該等普通股及認股權證之權益。

(e) Interest in Star East

(e) 東方魅力之權益

Name of director 董事姓名	Nature of interest 權益性質	Number of shares of Star East held 所持東方魅力股份數目	Number of share options of Star East held 所持東方魅力購股權數目
Chan Kwok Keung, Charles 陳國強	Corporate interest 公司權益	635,082,479 (note) (附註)	-
	Personal interest 個人權益	382,000	-
Chau Mei Wah, Rosanna 周美華	Personal interest 個人權益	-	19,400,000
Wong Kun To 黃勤道	Personal interest 個人權益	-	22,400,000

Note: The shares were held by a wholly owned subsidiary of the Company. By virtue of his deemed interest in the ordinary share capital of the Company, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares under the SDI Ordinance.

附註：該等股份由本公司之一間全資附屬公司持有。由於陳國強博士被視作擁有本公司普通股股本之權益，故根據披露權益條例，亦被視作擁有該等股份之權益。

Paul Y. - ITC, Hanny, Burcon and Star East were associated corporations, within the meaning of the SDI Ordinance, of the Company.

Save as disclosed herein, as at 30th September, 2002, none of the directors of the Company had any personal, family, corporate or other interests in any securities of the Company or any of its associated corporations, within the meaning of the SDI Ordinance, as recorded in the register kept by the Company under section 29 of the SDI Ordinance or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 30th September, 2002, there were no outstanding share options granted by the Company pursuant to the share option scheme of the Company adopted on 23rd January, 2002. No share options were granted, exercised, cancelled or lapsed during the period.

Save as disclosed herein, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate, and none of the directors, chief executives or their spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the period.

保華德祥、錦興、Burcon及東方魅力均為本公司之相聯法團(按披露權益條例界定)。

除本文所披露者外，於二零零二年九月三十日，根據披露權益條例第29條規定本公司置存之登記冊所載，本公司董事概無在本公司或其任何相聯法團(按披露權益條例界定)之證券中擁有任何個人、家庭、公司或其他權益，或根據標準守則須知會本公司及香港聯交所之權益。

董事購買股份或債券之權利

於二零零二年九月三十日，本公司並無根據於二零零二年一月二十三日採納之本公司購股權計劃授出尚未行使之購股權。期內並無購股權獲授出、行使、註銷或失效。

除本文所披露者外，本公司或其任何附屬公司於期內並未訂立任何安排，使本公司董事從購買本公司或任何其他公司之股份或債務證券(包括債券)中獲益，而董事、主要行政人員或彼等之配偶或未滿十八歲之子女於期內概無任何可認購本公司證券之權利，亦無行使任何該等權利。

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2002, the following parties were interested in 10% or more of the issued ordinary share capital of the Company as recorded in the register kept by the Company under section 16(1) of the SDI Ordinance:

Name of shareholder 股東名稱	Number of ordinary shares of the Company held 所持本公司普通股數目		Percentage of issued ordinary share capital 已發行普通股股本百分比 %
	Direct interest 直接權益	Deemed interest 應計權益	
Chan Kwok Keung, Charles (<i>note</i>) 陳國強 (<i>附註</i>)	-	219,681,911	34.8
Chinaview International Limited ("Chinaview") (<i>note</i>) (<i>附註</i>)	-	219,681,911	34.8
Galaxyway	219,681,911	-	34.8

Note: Galaxyway was a wholly owned subsidiary of Chinaview which was, in turn, wholly owned by Dr. Chan Kwok Keung, Charles. Chinaview and Dr. Chan Kwok Keung, Charles were both deemed under the SDI Ordinance to be interested in 219,681,911 ordinary shares of the Company held by Galaxyway.

Save as disclosed above, no other parties were recorded in the register kept by the Company under section 16(1) of the SDI Ordinance as having an interest of 10% or more of the issued ordinary share capital of the Company as at 30th September, 2002.

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

During the six months ended 30th September, 2002, there were no purchases, sales or redemptions by the Company, or any of its subsidiaries, of the Company's listed securities.

主要股東

於二零零二年九月三十日，根據披露權益條例第16(1)條規定本公司置存之登記冊所載，下列股東擁有本公司已發行普通股股本10%或以上權益：

附註： Galaxyway為Chinaview之全資附屬公司，而Chinaview由陳國強博士全資擁有。根據披露權益條例，Chinaview及陳國強博士均被視為擁有Galaxyway所持本公司219,681,911股普通股之權益。

除上文所披露者外，按本公司根據披露權益條例第16(1)條置存之登記冊所記錄，於二零零二年九月三十日，概無任何其他人士擁有佔本公司已發行普通股股本10%或以上之權益。

購買、出售或贖回本公司之上市證券

於截至二零零二年九月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

CODE OF BEST PRACTICE

None of the directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th September, 2002, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules, except that the independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the unaudited interim financial report for the six months ended 30th September, 2002.

The interim financial report of the Company for the six months ended 30th September, 2002 has been reviewed by the auditors, Deloitte Touche Tohmatsu in accordance with the Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Society of Accountants and an unqualified review report is issued.

By Order of the Board

Dr. Chan Kwok Keung, Charles
Chairman

Hong Kong, 18th December, 2002

最佳應用守則

各董事概無知悉任何資料，足以合理地顯示本公司現時或於截至二零零二年九月三十日止六個月內之任何時間，未有遵守上市規則附錄十四所載之最佳應用守則，惟本公司獨立非執行董事並無指定任期，而根據本公司之公司細則，彼等須在本公司之股東週年大會上輪值退任及膺選連任。

審核委員會

審核委員已會同管理層審閱本集團採納之會計政策及慣例，並就審核、財務申報程序及內部監控事宜商討，包括審閱截至二零零二年九月三十日止六個月之未經審核中期財務報告。

截至二零零二年九月三十日止六個月之本公司中期財務報告已由核數師德勤·關黃陳方會計師行根據香港會計師公會頒佈之核數準則第700號「審閱中期財務報告」進行審閱並已發出無保留意見審閱報告。

承董事局命

主席
陳國強博士

香港，二零零二年十二月十八日

INDEPENDENT REVIEW REPORT**德勤·關黃陳方會計師行**

Certified Public Accountants
26/F, Wing On Centre
111 Connaught Road Central
Hong Kong

香港中環干諾道中111號
永安中心26樓

TO THE BOARD OF DIRECTORS OF ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 16 to 28.

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 Society of Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of group 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 30th September, 2002.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 18th December, 2002

獨立審閱報告

**Deloitte
Touche
Tohmatsu**

致德祥企業集團有限公司董事會

(於百慕達註冊成立之有限公司)

緒言

本核數師行已根據 貴公司之指示審閱載於第16至第28頁之中期財務報告。

董事之責任

香港聯合交易所有限公司證券上市規則規定中期財務報告須根據香港會計師公會頒佈之會計實務準則第25號「中期財務報告」及有關規定編製。編製中期財務報告乃董事之責任，並已由彼等審批。

審閱工作

本行之審閱工作乃根據香港會計師公會頒佈之《核數準則》第700號「審閱中期財務報告」進行。審閱工作主要包括向集團管理層作出查詢及運用分析性程序對中期財務報告作出分析，並據此評估所採納之會計政策及列報形式是否一致及貫徹地運用（除非已另作披露）。審閱工作並不包括審計程序（如測試監控系統及核實資產、負債及交易活動）。由於審閱之工作範圍較審計工作少，因此只能提供較審計工作為低之確定程度，故本行不會對中期財務報告作出審計意見。

審閱結論

根據本行審閱（並不構成審計工作）之結果，本行並不察覺須對截至二零零二年九月三十日止六個月之中期財務報告作出任何重大修改。

德勤·關黃陳方會計師行

執業會計師

香港，二零零二年十二月十八日

CONDENSED CONSOLIDATED INCOME STATEMENT 簡明綜合收入報表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002 截至二零零二年九月三十日止六個月

		Six months ended 30th September,	
		2002	2001
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
		截至九月三十日止六個月	截至九月三十日止六個月
		二零零二年	二零零一年
		千港元	千港元
		(未經審核)	(未經審核)
	Notes		
	附註		
Turnover	3	13,725	23,535
Other operating income		21,100	1,756
Changes in inventories of finished goods		149	123
Raw materials and consumables used		(2,826)	(1,850)
Staff costs		(7,503)	(7,322)
Depreciation and amortisation		(947)	(872)
Other operating expenses		(10,977)	(6,437)
Gain on disposal of other investments		617	-
Impairment loss recognised on investment securities	4	(16,813)	-
Unrealised (loss) gain on valuation of other investments		(41)	1,621
(Loss) profit from operations		(3,516)	10,554
Finance costs		(17,461)	(28,207)
Gain arising from dilution of interests in associates		-	2,122
Share of results of associates		(67,767)	16,635
(Loss) profit before taxation		(88,744)	1,104
Taxation	5	(10,462)	(8,061)
Loss for the period		(99,206)	(6,957)
Loss per share	6		
Basic (cents)		(17.2)	(2.8)
Diluted (cents)		(17.3)	(2.9)

CONDENSED CONSOLIDATED BALANCE SHEET 簡明綜合資產負債表

AT 30TH SEPTEMBER, 2002 於二零零二年九月三十日

		30th September, 2002	31st March, 2002
	Notes	HK\$'000 (unaudited) 二零零二年 九月三十日 千港元 (未經審核)	HK\$'000 (audited) 二零零二年 三月三十一日 千港元 (經審核)
	附註		
Non-current assets			
Property, plant and equipment		26,992	25,611
Investment properties	7	-	1,125
Interests in associates		1,745,904	1,797,104
Investments in securities		14,017	4,008
Convertible notes receivable	8	17,500	-
		1,804,413	1,827,848
Current assets			
Inventories		360	210
Trade and other receivables	9	23,836	2,575
Amounts due from associates	14	113,153	148,528
Amounts due from related companies	14	43,640	45,746
Loan receivables		42,278	4,724
Bank balances and cash		7,641	85,997
		230,908	287,780
Current liabilities			
Trade and other payables	10	25,313	22,008
Amounts due to associates	14	78	111
Amounts due to related companies	14	80	-
Convertible notes	11	579,192	577,635
Bank overdrafts		22,364	9,123
Other loan		-	17,317
		627,027	626,194
Net current liabilities		(396,119)	(338,414)
		1,408,294	1,489,434
Capital and reserves			
Share capital	12	89,894	89,894
Reserves		1,301,083	1,399,540
		1,390,977	1,489,434
Non-current liabilities			
Other loan		17,317	-
		1,408,294	1,489,434

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明綜合權益變動表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002 截至二零零二年九月三十日止六個月

		Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Investment properties revaluation reserve HK\$'000	Translation reserve HK\$'000	Goodwill reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
		股本 千港元	股份溢價 千港元	實繳盈餘 千港元	股本贖回儲備 千港元	投資物業重估儲備 千港元	匯兌儲備 千港元	商譽儲備 千港元	累積虧損 千港元	總額 千港元
At 1st April, 2001	於二零零一年四月一日	79,394	153,843	2,092,234	908	450	(63,943)	(202,956)	(448,013)	1,611,917
Exchange differences arising from translation of overseas operations	換算海外業務產生之匯兌差額	-	-	-	-	-	30	-	-	30
Share of post-acquisition reserve movements of associates	攤佔聯營公司收購後儲備變動	-	-	-	-	-	(4,121)	-	-	(4,121)
Net loss not recognised in the condensed consolidated income statement	並無於簡明綜合收入報表確認之虧損淨額	-	-	-	-	-	(4,091)	-	-	(4,091)
Issue of ordinary shares	發行普通股	10,500	52,500	-	-	-	-	-	-	63,000
Shares issue expenses	股份發行開支	-	(1,121)	-	-	-	-	-	-	(1,121)
Reserve movements arising on reduction of interests in associates	減持聯營公司權益產生之儲備變動	-	-	-	-	-	17	880	-	897
Released on disposal of investment properties	出售投資物業時解除	-	-	-	-	(450)	-	-	-	(450)
Loss for the period	期內虧損	-	-	-	-	-	-	-	(6,957)	(6,957)
At 30th September, 2001	於二零零一年九月三十日	89,894	205,222	2,092,234	908	-	(68,017)	(202,076)	(454,970)	1,663,195
Exchange differences arising from translation of overseas operations	換算海外業務產生之匯兌差額	-	-	-	-	-	(203)	-	-	(203)
Share of post-acquisition reserve movements of associates	攤佔聯營公司收購後儲備變動	-	-	-	-	-	46,368	-	-	46,368
Net gain not recognised in the condensed consolidated income statement	並無於簡明綜合收入報表確認之收益淨額	-	-	-	-	-	46,165	-	-	46,165
Reserve movements arising on reduction of interests in associates	減持聯營公司權益產生之儲備變動	-	-	-	-	-	1	208	-	209
Share of post-acquisition reserve movements of associates	攤佔聯營公司收購後儲備變動	-	-	-	-	-	-	62,218	-	62,218
Loss for the period	期內虧損	-	-	-	-	-	-	-	(282,353)	(282,353)
At 31st March, 2002	於二零零二年三月三十一日	89,894	205,222	2,092,234	908	-	(21,851)	(139,650)	(737,323)	1,489,434
Exchange differences arising from translation of overseas operations	換算海外業務產生之匯兌差額	-	-	-	-	-	84	-	-	84
Share of post-acquisition reserve movements of associates	攤佔聯營公司收購後儲備變動	-	-	-	-	-	(6,266)	-	-	(6,266)
Net loss not recognised in the condensed consolidated income statement	並無於簡明綜合收入報表確認之虧損淨額	-	-	-	-	-	(6,182)	-	-	(6,182)
Share of post-acquisition reserve movements of associates	攤佔聯營公司收購後儲備變動	-	-	-	-	-	-	6,931	-	6,931
Loss for the period	期內虧損	-	-	-	-	-	-	-	(99,206)	(99,206)
At 30th September, 2002	於二零零二年九月三十日	89,894	205,222	2,092,234	908	-	(28,033)	(132,719)	(836,529)	1,390,977

CONDENSED CONSOLIDATED CASH FLOW STATEMENT 簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002 截至二零零二年九月三十日止六個月

		Six months ended 30th September,	
		2002	2001
		HK\$'000	HK\$'000
		(unaudited)	(unaudited and restated)
		截至九月三十日止六個月	截至九月三十日止六個月
		二零零二年	二零零一年
		千港元	千港元
		(未經審核)	(未經審核及 經重列)
Net cash used in operating activities	經營業務所動用之現金淨額	(44,078)	(28,943)
Net cash (used in) from investing activities	投資業務所(動用)得之 現金淨額	(32,036)	6,840
Net cash (used in) from financing activities	融資業務所(動用)得之 現金淨額	(15,392)	24,579
Net (decrease) increase in cash and cash equivalents	現金與現金等值項目 (減少)增加淨額	(91,506)	2,476
Cash and cash equivalents at beginning of the period	期初現金與現金 等值項目	76,874	1,357
Effect of foreign exchange rate changes	匯率變動影響	(91)	21
Cash and cash equivalents at end of the period	期終現金與現金 等值項目	(14,723)	3,854
Analysis of the balances of cash and cash equivalents	現金與現金等值項目 結存分析		
Bank balances and cash	銀行結存及現金	7,641	20,765
Bank overdrafts	銀行透支	(22,364)	(16,911)
		(14,723)	3,854

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2002

1. BASIS OF PREPARATION

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

In preparing the condensed financial statements, the directors have given careful consideration to the future liquidity of the Group in light of its net current liabilities of approximately HK\$396,119,000 as at 30th September, 2002. The directors are satisfied that the Group has access to sufficient funding and facilities to be able to meet in full its liabilities as they fall due for the foreseeable future. Accordingly, the condensed financial statements have been prepared on a going concern basis.

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 investment in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2002, except as described below:

In the current period, the Group adopted, for the first time, a number of new and revised SSAPs issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following revised accounting policy. The adoption of these SSAPs has no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

In addition, the adoption of the revisions to SSAP 1 "Presentation of financial statements" and SSAP 15 "Cash flow statements" has resulted in a change in the format of presentation of the statement of changes in equity and the cash flow statement, respectively.

Foreign currencies

The revisions to SSAP 11 "Foreign currency translation" have eliminated the choice of translating the income statements of overseas subsidiaries and associates at the closing rate for the period. They are now required to be translated at an average rate. Accordingly, on consolidation, the assets and liabilities of the Company's subsidiaries and the Group's associates are translated at exchange rates prevailing on the balance sheet date. Income and expenses 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 recognised as income or as expenses in the period in which the subsidiary or associate is disposed of. This change in accounting policy has not had any material effect on the results for the current or prior accounting periods.

簡明綜合財務報表附註

截至二零零二年九月三十日止六個月

1. 編製基準

簡明財務報表乃根據香港聯合交易所有限公司證券上市規則附錄十六有關披露之規定及香港會計師公會頒佈之會計實務準則(「會計實務準則」)第25號「中期財務報告」之規定而編製。

於編製簡明財務報表時，鑒於本集團於二零零二年九月三十日之流動負債淨額約為396,119,000港元，故董事已仔細考慮本集團日後之流動資金狀況。董事認為，本集團可獲得足夠之資金及信貸，足以於可預見將來全數應付到期之負債。因此，簡明財務報表已根據持續經營基準編製。

2. 主要會計政策

簡明財務報表乃根據歷史成本法編製，惟已就若干物業及證券投資之重估作出修訂。

除下文所述外，所採納之會計政策乃與編製本集團截至二零零二年三月三十一日止年度之全年財務報表所採納者相符：

於本期間內，本集團首次採納由香港會計師公會頒佈之多項新增及經修訂會計實務準則，並因此需採納下列經修訂會計政策。採納此等會計實務準則對本會計期間或過往會計期間之業績並無重大影響。因此，毋須作出過往期間調整。

此外，採納對會計實務準則第1號「財務報表之呈列」及會計實務準則第15號「現金流量表」之修訂，分別導致權益變動表及現金流量表之呈列格式變動。

外幣

根據經修訂之會計實務準則第11號「外幣換算」，海外附屬公司及聯營公司之收入報表所採用之匯率，不得選擇按期間結算日之匯率換算，而必須按平均匯率換算。因此，於綜合賬目時，本公司附屬公司及本集團聯營公司之資產及負債均按結算日之適用匯率換算。而收入及支出項目則按期內平均匯率換算。由此產生之匯兌差額(倘有)一概列為資本，並撥入本集團之匯兌儲備。該筆換算差額於出售附屬公司或聯營公司之期間一律確認為收入或開支。此項會計政策變動對本會計期間或過往會計期間之業績並無任何重大影響。

3. TURNOVER AND SEGMENTAL INFORMATION

Business segments

For management purposes, the Group is currently organised into two operating divisions – investment and finance, and sale of building materials and machinery. These divisions form the basis on which the Group reports its primary segment information.

An analysis of the Group's turnover and contribution to operating results by business segment is presented below:

3. 營業額及分類資料

業務分類

就管理而言，本集團現將業務分為兩大類－投資及財務及銷售建築材料及機械。有關業務構成本集團申報其主要分類資料之基準。

按業務劃分之本集團營業額及經營業績貢獻分析如下：

		Six months ended 30th September, 2002			
		Investment and finance	Sale of building materials and machinery	Eliminations	Consolidated
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		截至二零零二年九月三十日止六個月			
		投資 及財務 千港元	銷售建築 材料及機械 千港元	抵銷 千港元	綜合 千港元
Turnover	營業額				
External	對外	9,348	4,377	-	13,725
Inter-segment	分部之間	569	-	(569)	-
		<u>9,917</u>	<u>4,377</u>	<u>(569)</u>	<u>13,725</u>
Result	業績				
Segment result	分部業績	<u>1,184</u>	<u>699</u>	<u>-</u>	<u>1,883</u>
Unallocated corporate expenses	不可攤分之企業支出				<u>(5,399)</u>
Loss from operations	經營業務所得虧損				<u>(3,516)</u>
Finance costs	財務成本				<u>(17,461)</u>
Share of results of associates	攤佔聯營公司業績	<u>(67,767)</u>	-	-	<u>(67,767)</u>
Loss before taxation	除稅前虧損				<u>(88,744)</u>
Taxation	稅項				<u>(10,462)</u>
Loss for the period	期內虧損				<u>(99,206)</u>

		Six months ended 30th September, 2001			
		Investment and finance HK\$'000	Sale of building materials and machinery HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
		投資 及財務 千港元	銷售建築 材料及機械 千港元	抵銷 千港元	綜合 千港元
		截至二零零一年九月三十日止六個月			
Turnover	營業額				
External	對外	20,423	3,112	-	23,535
Inter-segment	分部之間	699	-	(699)	-
		<u>21,122</u>	<u>3,112</u>	<u>(699)</u>	<u>23,535</u>
Result	業績				
Segment result	分部業績	<u>16,398</u>	<u>148</u>	<u>-</u>	<u>16,546</u>
Unallocated corporate expenses	不可攤分之企業支出				<u>(5,992)</u>
Profit from operations	經營業務所得溢利				10,554
Finance costs	財務成本				(28,207)
Gain arising from dilution of interests in associates	因攤薄聯營公司權益 而產生之收益	2,122	-	-	2,122
Share of results of associates	攤佔聯營公司業績	16,635	-	-	<u>16,635</u>
Profit before taxation	除稅前溢利				1,104
Taxation	稅項				<u>(8,061)</u>
Loss for the period	期內虧損				<u>(6,957)</u>

Inter-segment sales are charged at prevailing market rate for both periods.

No geographical analysis is provided as less than 10% of the consolidated revenue and less than 10% of the consolidated (loss) profit from operations of the Group are attributable to markets outside Hong Kong.

4. IMPAIRMENT LOSS RECOGNISED ON INVESTMENT SECURITIES

During the period, the Group received certain interests in a listed investment as repayment of the shareholder's loan advanced to an associate. As at 30th September, 2002, the directors estimated that the recoverable amount of the listed investment held was its net market selling price and an impairment loss on that investment security of approximately HK\$16,813,000 has been recognised in the condensed financial statements in the current period.

分部間之銷售乃按兩段期間之主要市場水平收取。

由於本集團來自香港以外市場之綜合收入及綜合經營業務所得(虧損)溢利均不足10%，故未有呈列按地域所作之分析。

4. 已確認之投資證券折損

於本期間內，本集團收取一項上市公司投資之若干權益以償還其向一間聯營公司貸出之股東貸款。於二零零二年九月三十日，董事估計該上市公司投資之可收回款額為其市場售價淨額，就該投資證券已於本期之簡明財務報表作出約16,813,000港元折損確認。

5. TAXATION

No provision for Hong Kong Profits Tax has been made in the condensed financial statements as the Group had no assessable profit for the period. The charge for each of the six months ended 30th September, 2002 and 30th September, 2001 represents the Group's share of tax on the results of associates.

6. LOSS PER SHARE

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

		Six months ended 30th September,	
		2002	2001
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
		截至九月三十日止六個月	
		二零零二年	二零零一年
		千港元	千港元
		(未經審核)	(未經審核)
Loss for the period	期內虧損	(99,206)	(6,957)
Dividend for preference shares	優先股股息	(9,245)	(9,245)
Loss for the purposes of basic loss per share	計算每股基本虧損之虧損	(108,451)	(16,202)
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之效應：		
Adjustment to the share of results of associates based on dilution of their earnings per share	攤佔聯營公司業績按其每股盈利攤薄後所作出之調整	(883)	(967)
Loss for the purposes of diluted loss per share	計算每股攤薄虧損之虧損	(109,334)	(17,169)
		Number	Number
		of shares	of shares
		股份數目	股份數目
Weighted average number of ordinary shares for the purposes of basic loss per share and diluted loss per share	計算每股基本虧損及每股攤薄虧損之普通股加權平均數	630,960,774	584,485,364

The convertible notes and share options are anti-dilutive as the exercise of these convertible notes and share options would result in a decrease in loss per share for both periods.

7. MOVEMENTS IN INVESTMENT PROPERTIES

During the period, the Group disposed of its investment property at its carrying amount of approximately HK\$1 million to an independent third party.

5. 稅項

由於本集團於本期內並無應課稅溢利，故並無在簡明財務報表作出香港利得稅撥備。截至二零零二年九月三十日及二零零一年九月三十日止六個月之支出為本集團攤佔聯營公司業績之稅項。

6. 每股虧損

每股基本及攤薄虧損乃按以下資料計算：

由於行使可換股票據及購股權會降低兩段期間內之每股虧損，故此等可換股票據及購股權於兩段期間具反攤薄作用。

7. 投資物業變動

於本期間內，本集團出售其賬面值約1,000,000港元之投資物業予獨立第三者。

8. CONVERTIBLE NOTES RECEIVABLE

The convertible notes are guaranteed by a company with its securities listed on The Stock Exchange of Hong Kong Limited (the "Guarantor"), bear interest at 5% per annum and repayable on 28th August, 2005. The convertible notes can be converted into shares of the Guarantor at the specified price (subject to adjustment) on or before 28th August, 2005.

9. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables:

		30th September, 2002 HK\$'000 (unaudited) 二零零二年 九月三十日 千港元 (未經審核)	31st March, 2002 HK\$'000 (audited) 二零零二年 三月三十一日 千港元 (經審核)
Trade receivables	應收貿易賬款		
0 – 30 days	0 – 30日	2,121	1,312
31 – 60 days	31 – 60日	76	98
61 – 90 days	61 – 90日	42	16
Over 90 days	超過90日	91	123
		<u>2,330</u>	1,549
Other receivables, prepayments and deposits	其他應收賬款、 預付款項及按金	<u>21,506</u>	1,026
		<u>23,836</u>	<u>2,575</u>

The general credit term is 30 to 60 days.

一般信貸期為30至60日。

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables:

		30th September, 2002 HK\$'000 (unaudited) 二零零二年 九月三十日 千港元 (未經審核)	31st March, 2002 HK\$'000 (audited) 二零零二年 三月三十一日 千港元 (經審核)
Trade payables	應付貿易賬款		
0 – 30 days	0 – 30日	12,300	11,592
31 – 60 days	31 – 60日	175	81
61 – 90 days	61 – 90日	53	1
Over 90 days	超過90日	4	47
		<u>12,532</u>	11,721
Other payables and accrued charges	其他應付賬款及 應計開支	<u>12,781</u>	10,287
		<u>25,313</u>	<u>22,008</u>

8. 應收可換股票據

應收可換股票據乃由一間其證券於香港聯合交易所有限公司上市之公司(「擔保人」)擔保，按年息率5%計算利息，並須於二零零五年八月二十八日償還。可換股票據可於二零零五年八月二十八日或之前按指定價格(可予調整)轉換為擔保人之股份。

9. 貿易及其他應收賬款

應收貿易賬款之賬齡分析如下：

10. 貿易及其他應付賬款

應付貿易賬款之賬齡分析如下：

11. CONVERTIBLE NOTES

11. 可換股票據

		30th September, 2002 HK\$'000 (unaudited) 二零零二年 九月三十日 千港元 (未經審核)	31st March, 2002 HK\$'000 (audited) 二零零二年 三月三十一日 千港元 (經審核)
HK\$120,000,000 convertible notes due 2002 (note a)	120,000,000港元於二零零二年到期之可換股票據(附註a)	120,000	120,000
Less: Unamortised deferred expenditure	減：未攤銷遞延開支	-	(344)
		<u>120,000</u>	<u>119,656</u>
HK\$460,000,000 convertible notes due 2003 (note b)	460,000,000港元於二零零三年到期之可換股票據(附註b)	460,000	460,000
Less: Unamortised deferred expenditure	減：未攤銷遞延開支	(808)	(2,021)
		<u>459,192</u>	<u>457,979</u>
		<u>579,192</u>	<u>577,635</u>

Notes:

- (a) The notes bear interest at the best lending rate of Hong Kong Dollar as quoted by The Hongkong and Shanghai Banking Corporation Limited (the "Best Lending Rate") and payable semi-annually in arrears. All the noteholders have an option to convert the notes into ordinary shares of the Company at an adjusted conversion price of HK\$1.06 per share, subject to adjustments, on or before 5th October, 2002 (or the next following business day if it is not a business day). The ordinary shares to be issued upon such conversion are to rank pari passu in all respect with the ordinary shares of the Company in issue on the relevant conversion date.

Notes with principal value of HK\$50,000,000 are held by Galaxyway Investments Limited ("Galaxyway"). Galaxyway is a wholly owned subsidiary of Chinaview International Limited which was, in turn, wholly owned by Dr. Chan Kwok Keung, Charles ("Dr. Charles Chan"), a director and a substantial shareholder of the Company.

In addition, holder of notes with principal value of HK\$10,000,000 agreed to extend the repayment date to 3rd March, 2003 while the remaining notes with principal value of HK\$60,000,000 were fully redeemed subsequent to 30th September, 2002.

- (b) The notes bear interest at the Best Lending Rate and payable semi-annually in arrears. All the noteholders have an option to convert the notes into ordinary shares of the Company at an adjusted conversion price of HK\$1.68 per share, subject to adjustments, on or before 1st March, 2003 (or the next following business day if it is not a business day). The ordinary shares to be issued upon such conversion are to rank pari passu in all respect with the ordinary shares of the Company in issue on the relevant conversion date.

Notes with principal value of HK\$200,000,000 are held by Galaxyway.

附註：

- (a) 該等票據按香港上海滙豐銀行有限公司所報之港元優惠貸款利率(「優惠利率」)計息，並須每半年屆滿派息一次。所有票據持有人有權選擇於二零零二年十月五日(或倘該日期並非營業日，則於隨後之營業日)或之前按每股1.06港元之經調整換股價(可予調整)將票據轉換為本公司普通股。因應換股而將予發行之普通股在各方面均與於有關換股日期已發行之本公司普通股享有同等權益。

本金值50,000,000港元之票據由Galaxyway Investments Limited(「Galaxyway」)持有。Galaxyway為Chinaview International Limited(一間由本公司董事及主要股東陳國強博士(「陳國強博士」)全資擁有之公司)全資擁有。

此外，本金值10,000,000港元票據之持有人同意延遲還款日期至二零零三年三月三日，而本金值60,000,000港元之餘下票據已於二零零二年九月三十日後全數贖回。

- (b) 該等票據按優惠利率計息，並須每半年屆滿派息一次。所有票據持有人有權選擇於二零零三年三月一日(或倘該日期並非營業日，則於隨後之營業日)或之前按每股1.68港元之經調整換股價(可予調整)將票據轉換為本公司普通股。因應換股而將予發行之普通股在各方面均與於有關換股日期已發行之本公司普通股享有同等權益。

本金值200,000,000港元之票據由Galaxyway持有。

- (c) Pursuant to a redemption and subscription agreement dated 16th September, 2002 and a supplemental agreement dated 4th October, 2002 entered into between Galaxyway and the Company, the Company agreed to redeem the existing convertible notes (notes due 2002 in the sum of HK\$50,000,000 per (a) above and notes due 2003 in the sum of HK\$200,000,000 per (b) above) held by Galaxyway and, in consideration, subscribe for the new convertible notes in the principal amount up to HK\$250,000,000 at face value by Galaxyway.
- (d) Pursuant to a placing agreement dated 20th September, 2002 and a supplemental agreement dated 4th October, 2002 entered into between BNP Paribas Peregrine Securities Limited ("BNP Paribas Peregrine") and the Company, BNP Paribas Peregrine agreed to place as an agent of the Company new convertible notes in an aggregate principal amount of up to HK\$330,000,000 on a best endeavours basis to the existing noteholders (except Galaxyway) and/or other independent investors on or before 3rd March, 2003.
- (e) The new convertible notes to be issued referred to (c) and (d) above with aggregate principal value of up to HK\$580,000,000 are repayable on the third anniversary (the "Maturity Date") of the date of issue of the notes and bear interest at the Best Lending Rate and payable semi-annually in arrears. All the noteholders have an option to convert the notes into ordinary shares of the Company at an initial conversion price of HK\$0.30 per share, subject to adjustments, from time to time immediately following the expiry of the period of 3 months from the date of issue until the Maturity Date. The ordinary shares to be issued upon such conversion are to rank pari passu in all respect with the ordinary shares of the Company in issue on the relevant conversion date.
- (c) 根據本公司與Galaxyway於二零零二年九月十六日訂立之贖回及認購協議及於二零零二年十月四日訂立之補充協議，本公司同意贖回由Galaxyway持有之現有可換股票據(上文(a)所述於二零零二年到期面額為50,000,000港元之票據及上文(b)所述於二零零三年到期面額為200,000,000港元之票據)，而作為代價，由Galaxyway按面值認購本金額不多於250,000,000港元之新可換股票據。
- (d) 根據巴黎百富勤證券有限公司(「巴黎百富勤」)與本公司於二零零二年九月二十日訂立之配售協議及於二零零二年十月四日訂立之補充協議，巴黎百富勤同意作為本公司之代理，按「竭盡所能」基準，於二零零三年三月三日或之前，配售本金總額不多於330,000,000港元之新可換股票據予現有票據持有人(不包括Galaxyway)及/或其他獨立投資者。
- (e) 上文(c)及(d)所述將予發行本金總值不多於580,000,000港元之新可換股票據須於發行票據日期三週年(「到期日」)償還，並按優惠利率計算利息及於每半年屆滿時支付。所有票據持有人有權選擇於緊隨發行日期起計三個月直至到期日不時按每股0.30港元之初步換股價(可予調整)將票據轉換為本公司普通股。因應換股而將予發行之普通股在各方面均與於有關換股日期已發行之本公司普通股享有同等權益。

12. SHARE CAPITAL

12. 股本

		30th September, 2002 HK\$'000 (unaudited) 二零零二年 九月三十日 千港元 (未經審核)	31st March, 2002 HK\$'000 (audited) 二零零二年 三月三十一日 千港元 (經審核)
Issued and fully paid:	已發行及繳足：		
630,960,774 ordinary shares of HK\$0.10 each	每股面值0.10 港元之 普通股 630,960,774股	63,096	63,096
267,980,000 compulsorily convertible cumulative preference shares of HK\$0.10 each	每股面值0.10 港元之 強制性可換股累積 優先股 267,980,000股	26,798	26,798
		<u>89,894</u>	<u>89,894</u>

There was no movement in the share capital of the Company during the period.

本公司股本於期內並無變動。

13. PLEDGE OF ASSETS

At the balance sheet date, certain of the Group's land and buildings with an aggregate carrying value of approximately HK\$17,682,000 (31st March, 2002: HK\$17,618,000) were pledged to banks to secure general credit facilities granted to the Group.

13. 資產抵押

於結算日，本集團賬面總值約17,682,000港元(二零零二年三月三十一日：17,618,000港元)之若干土地及樓宇已抵押予銀行，作為本集團取得一般信貸融資。

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the period or at the balance sheet date, the Group had transactions/balances with the following related parties, details of which are as follows:

14. 與有關連人士之交易及結欠

期內或於結算日，本集團與以下有關連人士進行之交易／結欠之詳情如下：

		Six months ended 30th September,	
		2002	2001
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
		截至九月三十日止六個月	
		二零零二年	二零零一年
		千港元	千港元
		(未經審核)	(未經審核)
Transactions	交易		
Associates:	聯營公司：		
Sales (note a)	銷售 (附註a)	499	463
Dividend income	股息收入	-	2,629
Interest income received (note b)	已收利息收入 (附註b)	<u>4,252</u>	<u>14,395</u>
Directors or companies controlled by directors:	董事或董事控制之公司：		
Interest paid (note c)	已付利息 (附註c)	-	173
Interest payable on convertible notes issued by the Group (note d)	本集團發行之可換股票據應付之利息 (附註d)	<u>6,424</u>	<u>8,760</u>
Related companies:	關連公司：		
Interest income received (note b)	已收利息收入 (附註b)	<u>1,433</u>	<u>27</u>
		30th September, 2002	31st March, 2002
		HK\$'000	HK\$'000
		(unaudited)	(audited)
		二零零二年九月三十日	二零零二年三月三十一日
		千港元	千港元
		(未經審核)	(經審核)
Balances	結欠		
Associates:	聯營公司：		
Balance due to associates (note e)	應付聯營公司結欠 (附註e)	78	111
Balance due from associates (note f)	應收聯營公司結欠 (附註f)	<u>113,153</u>	<u>148,528</u>
Related companies:	關連公司：		
Balance due to related companies (note e)	應付關連公司結欠 (附註e)	80	-
Balance due from related companies (note g)	應收關連公司結欠 (附註g)	<u>43,640</u>	<u>45,746</u>

In addition to the above, as at 31st March, 2002 and 30th September, 2002, convertible notes totalling HK\$250,000,000 are payable to Galaxyway.

除上文所述外，於二零零二年三月三十一日及二零零二年九月三十日應付Galaxyway之可換股票據為合共250,000,000港元。

Notes:

- (a) Sales are carried out by reference to the prevailing market price for comparable transactions.
- (b) Interest is charged at commercial rates.
- (c) Interest is payable based on 1% over the Best Lending Rate.
- (d) Interest is payable based on the Best Lending Rate.
- (e) The amounts are interest-free, unsecured and repayable on demand.
- (f) The amounts are unsecured and repayable within one year. Of these amounts, an amount of approximately HK\$109,332,000 (31st March, 2002: HK\$114,600,000) bears interest at commercial rates. The remaining balance is interest-free.
- (g) The amounts are unsecured and repayable within one year. Of these amounts, an amount of approximately HK\$37,000,000 (31st March, 2002: HK\$42,000,000) bears interest at commercial rates. The remaining balance is interest-free.

Related companies are companies in which the Group has beneficial interests and has common directors.

15. POST BALANCE SHEET EVENT

The Board announced on 25th October, 2002 that, conditional upon the approval of the independent shareholders of the Company and the board of directors of Paul Y. - ITC Construction Holdings Limited ("Paul Y. - ITC"), an associate of the Group, agreeing to take no further steps to implement the group reorganisation announced on 7th October, 2002, the Group will make a voluntary conditional cash offer of the price of HK\$0.30 for each share in Paul Y. - ITC, other than the shares owned by the Company or its wholly owned subsidiaries. Conditional upon the share offer becoming unconditional, an offer will also be made for the outstanding warrants of Paul Y. - ITC, other than the warrants owned by the Company or its wholly owned subsidiaries, at the price of HK\$0.01 per warrant in cash. If the independent shareholders of the Company do not give the necessary approval, then Dr. Charles Chan will make the offers. Dr. Charles Chan has undertaken to the Company that he will provide finance to enable the Group to satisfy full acceptance of the offers. The estimated consideration payable under full acceptance of the offers is approximately HK\$184 million.

On 4th December, 2002, an ordinary resolution has been passed at a special general meeting of the Company for approving the making of the offers. Subsequently, the offers have become unconditional as the Group and the parties acting in concert with it have held or controlled more than 50% of the voting rights attaching to the shares of Paul Y. - ITC at the close of business on 12th December, 2002.

附註：

- (a) 銷售乃參照同類交易當時之市價進行。
- (b) 利息乃按商業利率收取。
- (c) 利息乃按優惠利率加1厘支付。
- (d) 利息乃按優惠利率支付。
- (e) 有關款項乃免息、無抵押及須按通知償還。
- (f) 有關款項並無抵押及須於一年內償還。在此等款項中，約109,332,000港元(二零零二年三月三十一日：114,600,000港元)按商業利率計算利息，其餘款項則免息。
- (g) 有關款項並無抵押及須於一年內償還，在此等款項中，約37,000,000港元(二零零二年三月三十一日：42,000,000港元)按商業利率計算利息，其餘款項則免息。

關連公司乃本集團擁有實益權益並有共同董事之公司。

15. 結算日後事項

董事會於二零零二年十月二十五日公佈，待本公司之獨立股東批准及本集團之一間聯營公司，保華德祥建築集團有限公司(「保華德祥」)之董事會同意不會就於二零零二年十月七日公佈之集團重組事項採取進一步之行動後，本集團將會提出一項自願有條件現金收購建議，以每股0.30港元之價格，收購保華德祥之股份，惟不包括由本公司或其全資附屬公司已擁有之股份。待股份建議成為無條件後，亦將會提出以每份認股權證0.01港元之價格，以現金收購保華德祥之已發行但尚未行使之認股權證，惟不包括本公司或其全資附屬公司已擁有之認股權證。倘本公司之獨立股東拒絕作出必須之批准，則陳國強博士將會自行提出該等收購建議。陳國強博士已向本公司承諾將會向本公司提供資金，使本公司有足夠資金應付在該等收購建議獲全數接納時之所需。該等收購建議獲全數接納時之預計代價約為184,000,000港元。

於二零零二年十二月四日，就批准提出該等收購建議之普通決議案已於本公司股東特別大會上獲通過。由於本集團及與其一致行動人士於二零零二年十二月十二日營業時間結束時已持有或控制超過50%隨附於保華德祥股份之投票權，因此，該等收購建議已成為無條件。