

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Directors") of Zhong Hua International Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2004 (the "Interim Results"), together with the comparative figures for the corresponding period in 2003 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

未經審核中期業績

中華國際控股有限公司(「本公司」)董事會(「董事會」)欣然宣佈，本公司及其附屬公司(統稱「本集團」)截至二零零四年六月三十日止六個月之未經審核綜合業績(「中期業績」)，連同二零零三年同期之比較數字如下：

簡明綜合損益賬

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
TURNOVER	營業額	7,292	2,847
Cost of sales	銷售成本	(5,603)	(820)
Gross profit	毛利	1,689	2,027
Other revenue	其他收益	313	93
Gain on disposal of interests in subsidiaries	出售附屬公司權益所得收益	85,763	-
Selling and distribution costs	銷售及經銷費用	(12)	(103)
Administrative expenses	行政開支	(4,386)	(5,729)
Other operating expenses	其他經營開支	(7,732)	-
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	經營溢利/(虧損)	75,635	(3,712)
Finance costs	財務費用	(1,375)	(1,353)
Amortisation of goodwill on acquisition of jointly-controlled entities	收購共同控制個體之商譽攤銷	-	(10,675)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利/(虧損)	74,260	(15,740)
Tax	稅項	(62)	-
PROFIT/(LOSS) BEFORE MINORITY INTERESTS	未計少數股東權益前溢利/(虧損)	74,198	(15,740)
Minority interests	少數股東權益	(16)	-
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務純利/(虧損淨額)	74,182	(15,740)
EARNINGS/(LOSS) PER SHARE - BASIC	每股盈利/(虧損) - 基本	HK2.45 cent 港仙	HK(0.53) cent 港仙
- DILUTED	- 攤薄	N/A 不適用	N/A 不適用

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合股權變動報表

		Issued capital	Share premium account	Contributed surplus	Investment properties revaluation reserve	Exchange fluctuation reserve	Retained profits/ accumulated losses	Total
		已發行 股本	股份 溢價賬	繳入盈餘	投資物業 重估儲備	滙兌波動 儲備	保留溢利/ (累計虧損)	合計
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2004	於二零零四年一月一日之結餘	59,600	220,002	80,258	40,964	364	(45,601)	355,587
Exchange adjustment on translation of financial statements of overseas subsidiaries	海外附屬公司財務報表 換算之匯兌調整	-	-	-	-	(1)	-	(1)
Impairment of goodwill remaining eliminated against consolidated accumulated losses	仍於綜合累計虧損撥銷 之商譽減值	-	-	-	-	-	7,000	7,000
Issue of share capital	發行股本	9,288	51,083	-	-	-	-	60,371
Profit for the period	期內溢利	-	-	-	-	-	74,182	74,182
Balance at 30 June 2004 (Unaudited)	於二零零四年六月三十日之結餘 (未經審核)	68,888	271,085	80,258	40,964	363	35,581	497,139

		Issued capital	Share premium account	Contributed surplus	Investment properties revaluation reserve	Exchange fluctuation reserve	Retained profits	Total
		已發行 股本	股份 溢價賬	繳入盈餘	投資物業 重估儲備	滙兌波動 儲備	保留溢利	合計
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2003, as previously reported	於二零零三年一月一日之結餘 (如先前呈報)	59,600	220,002	80,258	55,461	128	78,970	494,419
Effect of adoption of revised SSAP 12 "Income Taxes"	採納經修訂會計實務準則 第12號「所得稅」之影響	-	-	-	(14,497)	-	2,691	(11,806)
Balance at 1 January 2003, as restated	於二零零三年一月一日之結餘 (經重列)	59,600	220,002	80,258	40,964	128	81,661	482,613
Loss for the period	期內虧損	-	-	-	-	-	(15,740)	(15,740)
Balance at 30 June 2003 (Unaudited)	於二零零三年六月三十日之結餘 (未經審核)	59,600	220,002	80,258	40,964	128	65,921	466,873

**CONDENSED CONSOLIDATED
BALANCE SHEET**

簡明綜合資產負債表

		31 December	
		30 June	2003
		2004	二零零三年
		二零零四年	十二月
		六月三十日	三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
		Notes	
		附註	
NON-CURRENT ASSETS	非流動資產		
Fixed assets	固定資產		17,201
Investment properties	投資物業		183,600
Intangible assets	無形資產		35,682
Goodwill	商譽		-
Deferred tax assets	遞延稅項資產		249
Trade receivables	貿易應收款項	9	7,913
Prepayment and other receivable	預付款項及其他應收款項		230,000
Pledged deposits	已抵押存款		553
			497,883
CURRENT ASSETS	流動資產		
Trade receivables	貿易應收款項	9	11,869
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		70,680
Cash and bank balances	現金及銀行結存		41,312
			246,167

**CONDENSED CONSOLIDATED
BALANCE SHEET (Cont'd)**

簡明綜合資產負債表 (續)

			30 June 2004 二零零四年 六月三十日 (Unaudited) (未經審核)	31 December 2003 二零零三年 十二月 三十一日 (Audited) (經審核)
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	10	(34,595)	(34,925)
Tax payable	應付稅項		(12,858)	(8,667)
Other payables and accruals	其他應付款項及應計負債		(27,542)	(17,950)
Interest-bearing bank loans	計息銀行貸款		(62,361)	(8,857)
Finance lease payables	應付融資租賃款項		(467)	-
Deferred income	遞延收入		(40,625)	(22,568)
			(178,448)	(92,967)
NET CURRENT ASSETS	流動資產淨額		67,719	30,894
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		565,602	506,092
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank loans	計息銀行貸款		(29,708)	(32,188)
Finance lease payables	應付融資租賃款項		(382)	-
Deferred income	遞延收入		-	(103,820)
Deferred tax liabilities	遞延稅項負債		(18,697)	(14,497)
			(48,787)	(150,505)
MINORITY INTERESTS	少數股東權益		(19,676)	-
			497,139	355,587
CAPITAL AND RESERVES	資本及儲備			
Issued capital	已發行股本		68,888	59,600
Reserves	儲備		428,251	295,987
			497,139	355,587

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS 簡明綜合現金流量報表

		For the six months ended 30 June 2004 截至二零零四年 六月三十日止六個月 (Unaudited) (未經審核) HK\$'000 千港元	For the six months ended 30 June 2003 截至二零零三年 六月三十日止六個月 (Unaudited) (未經審核) HK\$'000 千港元
NET CASH INFLOW FROM OPERATING ACTIVITIES	經營業務之現金 流入淨額	202,022	2,966
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	投資業務之現金 流入/(流出)淨額	(136,195)	128
NET CASH OUTFLOW FORM FINANCING ACTIVITIES	融資活動之現金 流出淨額	(5,286)	(5,015)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金 等值項目增加/(減少)	60,541	(1,921)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初之現金及 現金等值項目	41,312	40,857
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終之現金及 現金等值項目	101,853	38,936
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金 等值項目結餘 分析		
Cash and bank balances	現金及銀行結存	101,853	38,936

1. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies and basis of preparation used in the preparation of these interim financial statements are consistent with those used in the Group’s audited financial statements for the year ended 31 December 2003.

2. TURNOVER

Turnover for the six months ended 30 June 2004 (the “Period”) represents the aggregate of gross rental income from investment properties and leasing of equipment, the sale of online English learning courses and income from provision of telecommunication and other related services, less any applicable turnover taxes.

Turnover for the six months ended 30 June 2003 represented the gross rental income and the sale of online English learning courses, less any applicable turnover taxes.

1. 主要會計政策

此等未經審核簡明綜合中期財務報表乃按照香港會計師公會頒布之香港會計實務準則（「會計實務準則」）第25號「中期財務申報」及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六予以編製。

此等中期財務報表所採用之會計政策及編製基準與本集團截至二零零三年十二月三十一日止年度之經審核財務報表所採用的一致。

2. 營業額

截至二零零四年六月三十日止六個月（「期間」）之營業額指來自投資物業及租賃設備租金收入總額、銷售網上英語學習課程及提供電訊與其他相關服務之收入總額，減任何適用營業稅。

截至二零零三年六月三十日止六個月之營業額指租金收入總額及銷售網上英語學習課程收入總額，減任何適用營業稅。

3. SEGMENT INFORMATION

3. 分類資料

The following table presents revenue and results information for the Group's business segments.

下表為本集團按業務分類呈列之有關收入及業績之資料。

For the six months ended 30 June (Unaudited)

截至六月三十日止六個月 (未經審核)

	Sale and pre-sale of properties 銷售及預售物業		Property investment 物業投資		Sale of online English learning courses 銷售網上英語學習課程		Leasing of equipment 租賃設備		Telecommunication and other related services 電訊及其他相關服務		Software licensing services 軟件特許服務		Corporate 公司		Consolidated 綜合	
	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2004 二零零四年	2003 二零零三年	2004 二零零四年
	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue: 銷售予外間客戶	-	-	320	1,236	1,822	-	2,244	-	-	-	-	-	-	-	-	7,292
Sales to external customers 其他收入及收益	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,763
Other revenue and gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	320	1,236	1,822	-	2,244	-	-	-	-	-	-	-	-	93,055
Segment results	-	-	2,906	1,611	1,611	-	2,444	-	-	-	-	-	-	-	-	75,322
Interest income	-	-	2,782	1,039	(6,991)	70	(3,170)	-	861	(168)	-	-	-	-	-	(3,352)
Profit/(loss) from operating activities	-	-	2,906	1,611	1,611	-	2,444	-	-	-	-	-	-	-	-	7,292
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,763
Amortisation of goodwill on acquisition of jointly-controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) before tax	-	-	2,906	1,611	1,611	-	2,444	-	-	-	-	-	-	-	-	75,322
Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	313
Profit/(loss) before minority interests	-	-	2,906	1,611	1,611	-	2,444	-	-	-	-	-	-	-	-	75,635
Minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,315)
Net profit/(loss) from ordinary activities attributable to shareholders	-	-	2,906	1,611	1,611	-	2,444	-	-	-	-	-	-	-	-	74,320
	-	-	2,782	1,039	(6,991)	70	(3,170)	-	861	(168)	-	-	-	-	-	(82)
	-	-	2,906	1,611	1,611	-	2,444	-	-	-	-	-	-	-	-	74,300
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(82)
	-	-	2,906	1,611	1,611	-	2,444	-	-	-	-	-	-	-	-	74,198
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16)
	-	-	2,782	1,039	(6,991)	70	(3,170)	-	861	(168)	-	-	-	-	-	74,182

3. SEGMENT INFORMATION (Cont'd)

No geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in the Mainland of the People's Republic of China ("Mainland China").

4. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit/(loss) from operating activities is arrived at after charging/(crediting):

3. 分類資料(續)

由於本集團之收入逾90%均來自中華人民共和國內陸(「中國大陸」)之客戶，因此並無呈列地區分類資料。

4. 經營溢利/(虧損)

本集團之經營溢利/(虧損)乃經扣除/(計入)：

		For the six months ended 30 June 截至六月三十日 止六個月	
		2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2003 二零零三年 (Unaudited) (未經審核) HK\$'000 千港元
Cost of inventories sold	已售存貨成本	220	820
Depreciation	折舊	2,210	222
Impairment of goodwill arising in the Period	期內產生商譽減值	7,000	-
Amortisation of intangible assets	無形資產攤銷	3,891	-
Amortisation of goodwill on acquisition of jointly-controlled entities	收購共同控制個體時商譽攤銷	-	10,675
Amortisation of goodwill on acquisition of subsidiaries	收購附屬公司時商譽攤銷	724	-
Interest income	利息收入	(313)	(40)
Net rental income	租金收入淨額	(2,906)	(1,611)

5. FINANCE COSTS

5. 財務費用

		For the six months ended 30 June 截至六月三十日 止六個月	
		2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2003 二零零三年 (Unaudited) (未經審核) HK\$'000 千港元
Interest expense on bank loans wholly repayable within five years	須於五年內悉數 償還之銀行貸款 利息開支	1,375	1,353

6. TAX

6. 稅項

		For the six months ended 30 June 截至六月三十日 止六個月	
		2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2003 二零零三年 (Unaudited) (未經審核) HK\$'000 千港元
Provision for the period:	期內撥備：		
Hong Kong	香港	-	-
Elsewhere	其他地區	62	-
		62	-

6. TAX (Cont'd)

No provision for Hong Kong profits tax has been made as the Group did not generate any taxable profits in Hong Kong during the Period (30 June 2003: Nil).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2004 (2003: Nil).

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the net profit from ordinary activities attributable to shareholders for the Period of HK\$74,182,000 (30 June 2003: net loss of HK\$15,740,000) and the weighted average of 3,028,497,656 (30 June 2003: 2,980,016,725) ordinary shares in issue during the Period.

Diluted earning per share for the Period and diluted loss per share for the six months ended 30 June 2003 have not been disclosed as the potential ordinary shares outstanding during these periods had an anti-dilutive effect on the basic earnings per share for the Period and the basic loss per share for the six months ended 30 June 2003.

6. 稅項 (續)

由於本集團於期間並無在香港產生任何應課稅溢利，故未就香港利得稅作出撥備(二零零三年六月三十日：無)。

其他地區應課稅溢利稅項根據本集團經營業務所在國家之現有法例、詮釋及慣例，按該等國家之現行稅率計算。

7. 中期股息

董事不建議派付截至二零零四年六月三十日止六個月之中期股息(二零零三年：無)。

8. 每股盈利／(虧損)

每股基本盈利／(虧損)乃根據期間股東應佔日常業務純利74,182,000港元(二零零三年六月三十日：虧損淨額15,740,000港元)及期間已發行普通股之加權平均數3,028,497,656股(二零零三年六月三十日：2,980,016,725股)計算。

由於彼等期間可能發行之普通股對期間之每股基本盈利及截至二零零三年六月三十日止六個月之每股基本虧損有反攤薄影響，故並無呈列期間之每股攤薄盈利及截至二零零三年六月三十日止六個月之每股攤薄虧損。

9. TRADE RECEIVABLES

The aged analysis of the Group's trade receivables at the balance sheet date, net of provisions, is as follows:

		30 June 2004 二零零四年 六月三十日 (Unaudited) (未經審核)		31 December 2003 二零零三年 十二月三十一日 (Audited) (經審核)	
		HK\$'000	Percentage	HK\$'000	Percentage
		千港元	百分比	千港元	百分比
Within 6 months	6個月內	13,600	26	3,957	20
More than 6 months but within 1 year	超過6個月但不超過1年內	10,291	20	-	-
More than 1 year but within 2 years	超過1年但不超過2年內	16,091	31	3,956	20
Not due at balance sheet date	於結算日仍未到期	11,869	23	11,869	60
		51,851	100	19,782	100
Provisions for doubtful debts	呆賬撥備	(4,994)		-	
		46,857		19,782	
Portion classified as current assets	列為流動資產之部份	(38,944)		(11,869)	
Non-current assets	非流動資產	7,913		7,913	

The Group generally grants a credit term of four to six months to the customers.

The Group's trade receivables are aged based on the due date of instalments as stipulated in the sales contracts and the date of recognition of turnover from provision of telecommunication and other related services.

9. 貿易應收款項

本集團貿易應收款項於結算日(撥備淨額)之賬齡分析如下：

		30 June 2004 二零零四年 六月三十日 (Unaudited) (未經審核)		31 December 2003 二零零三年 十二月三十一日 (Audited) (經審核)	
		HK\$'000	Percentage	HK\$'000	Percentage
		千港元	百分比	千港元	百分比
Within 6 months	6個月內	13,600	26	3,957	20
More than 6 months but within 1 year	超過6個月但不超過1年內	10,291	20	-	-
More than 1 year but within 2 years	超過1年但不超過2年內	16,091	31	3,956	20
Not due at balance sheet date	於結算日仍未到期	11,869	23	11,869	60
		51,851	100	19,782	100
Provisions for doubtful debts	呆賬撥備	(4,994)		-	
		46,857		19,782	
Portion classified as current assets	列為流動資產之部份	(38,944)		(11,869)	
Non-current assets	非流動資產	7,913		7,913	

本集團一般授予買家4至6個月信貸期。

本集團貿易應收款項之賬齡根據銷售協議所列分期付款到期日及提供電訊及其他相關服務營業額確認日計算。

10. TRADE PAYABLES

The aged analysis of the Group's trade payables at the balance sheet date is as follows:

Within 6 months	6個月內
More than 6 months but within 1 year	超過6個月但不超過1年內
More than 1 year but within 2 years	超過1年但不超過2年內
More than 2 years but within 3 years	超過2年但不超過3年內
Over 3 years	超過3年

The Group's trade payables are aged based on the date of the goods received or services rendered.

10. 貿易應付款項

本集團之貿易應付款項之賬齡分析如下：

30 June 2004 二零零四年 六月三十日 (Unaudited) (未經審核)		31 December 2003 二零零三年 十二月三十一日 (Audited) (經審核)	
HK\$'000	Percentage	HK\$'000	Percentage
千港元	百分比	千港元	百分比
814	2	251	1
223	1	5	-
5	-	204	1
204	1	8,092	23
33,349	96	26,373	75
34,595	100	34,925	100

本集團貿易應付款項之賬齡分析根據收取貨物或服務提供日起計算。

11. CONTINGENT LIABILITIES

At the balance sheet date, the Group's contingent liabilities not provided for in the financial statements were as follows:

11. 或然負債

於結算日，本集團並未於財務報表作出撥備之或然負債如下：

		30 June 2004 二零零四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Guarantees given for mortgage loans granted by banks to certain purchasers of the Group's properties	就銀行向本集團物業若干買家批出之按揭貸款所作之擔保	7,722	5,529

12. PLEDGE OF ASSETS

The Group's bank loans were supported by certain of the Group's investment properties, corporate guarantees executed by the Company and certain independent third parties.

12. 資產抵押

本集團之銀行貸款乃以本集團若干投資物業、本公司與若干獨立第三者簽立之公司擔保作為支持。

13. COMMITMENTS

13. 承擔

(a) Capital commitments

(a) 資本承擔

		Group 本集團	
		30 June 2004 二零零四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Capital commitments in respect of:	有關下列各項 之資本承擔：		
Contracted, but not provided for	已訂約但未 撥備		
Property development project	物業發展 項目	35,902	35,902
Telecommunication project	電訊項目	8,037	-
Telecommunication equipment	電訊設備	274	-
		44,213	35,902
Capital commitment in respect of capital contribution to a subsidiary:	向一間附屬 公司注資之 資本承擔：		
Contracted, but not provided for	已訂約但未撥備		
		-	1,500
		44,213	37,402

13. COMMITMENTS (Cont'd)

13. 承擔 (續)

(b) Commitments under operating leases

(b) 經營租約承擔

(i) As lessor

(i) 作為出租人

The Group leases certain of its investment properties and POS equipment under operating lease arrangements with leases negotiated for terms of two years and five years, respectively.

本集團根據經營租賃安排出租其若干投資物業及POS設備，經磋商之租約年期分別為兩年及五年。

At 30 June 2004, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

於二零零四年六月三十日，本集團根據不可撤銷之經營租約與其租客訂立之未來最低租約應收款項及到期日如下：

		Group 本集團	
		30 June 2004 二零零四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Within one year	於一年內	9,734	9,736
In the second to fifth years, inclusive	於第二至第五年 (包括首尾兩年)	15,163	20,038
		24,897	29,774

13. COMMITMENTS (Cont'd)

13. 承擔 (續)

(b) Commitments under operating leases (Cont'd)

(b) 經營租約承擔 (續)

(ii) As lessee

(ii) 作為承租人

The Group leases certain of its properties and transmission lines under operating lease arrangements with leases negotiated for terms ranging from one to seven years.

本集團根據經營租約安排租用其若干物業及輸送綫路，所議定之租期介乎一至七年。

At 30 June 2004, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

於二零零四年六月三十日，本集團根據不可撤銷之經營租約未來最低應付租金款項及到期日如下：

		Group 本集團	
		30 June 2004 二零零四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Within one year	於一年內	855	549
In the second to fifth years, inclusive	於第二至第五年 (包括首尾兩年)	980	183
		1,835	732

14. CONNECTED AND RELATED PARTY TRANSACTION

On 31 December 2002, Ho Tsam Hung, a director of the Company, entered into an agreement with the Company to indemnify the Company from any losses arising from certain other receivables totalling approximately HK\$17,164,000. The amount of HK\$14,713,000 of the said other receivables has been included in the consolidated balance sheet as at 30 June 2003. The indemnity covers the period from 1 January 2003 to 31 December 2003.

14. 關連及關連人士交易

於二零零二年十二月三十一日，本公司董事何湛雄先生與本公司訂立協議，就若干其他應收款項所產生之虧損向本公司作出合共約17,164,000港元之賠償保證。上述其他應收款項金額14,713,000港元已載入二零零三年六月三十日之綜合資產負債表內。保證期由二零零三年一月一日起至二零零三年十二月三十一日止。

REVIEW OF RESULTS

The Directors are pleased to report that the Group recorded a turnover of HK\$7,292,000 (30 June 2003: HK\$2,847,000) for the six months ended 30 June 2004, representing an increase of 156% compared with the corresponding period. Net profit from ordinary activities attributable to shareholders was HK\$74,182,000 (30 June 2003: net loss of HK\$15,740,000) for the Period.

BUSINESS REVIEW

The Group's turnover in the Period mainly comprised the rental income generated from the commercial podium in Chongqing, the People's Republic of China (the "PRC"), the leasing of Point-of-sale ("POS") equipment in Guangzhou and the provision of telecommunication and other related services in the PRC. In addition, the Group received settlements of a total of HK\$190,000,000 from the disposal of 51% equity interest in former subsidiaries in 2002, during the Period, and recognized a gain on disposal of HK\$85,763,000 thereon.

Property investment

The rental income generated from leasing of the commercial units in Gang Yu Square in Chongqing, the PRC, increased in the Period compared with the corresponding period. The occupancy rate of the square in the Period was highly satisfactory. It is expected that the business will continue to generate a steady stream of income to the Group.

業績回顧

董事會欣然宣佈，本集團於截至二零零四年六月三十日止六個月錄得營業額7,292,000港元(二零零三年六月三十日：2,847,000港元)，與較上一同期比較上升156%。本期間股東應佔日常業務純利為74,182,000港元(二零零三年六月三十日：虧損淨額15,740,000港元)。

業務回顧

本集團於期間之營業額主要包括位於中華人民共和國(「中國」)重慶之商場所帶來之租金收入，在廣州租賃銷售設備(POS設備)以及在中國提供電訊及其他有關服務。此外，本集團於期間內收到來自於二零零二年出售前附屬公司51%權益所得款項總額為190,000,000港元，並確認出售收益為85,763,000港元。

房地產投資

於期間內，中國重慶港渝廣場之商業單位出租收入較上一同期有所增加，期間出租率非常理想。預期該項業務將持續為本集團帶來穩定之收入來源。

BUSINESS REVIEW (Cont'd)

Provision of online English learning services

The Group was engaged in the provision of online English learning courses in the region of the PRC including Hong Kong and Macau since 2001. Due to the substantial increases in the cost of services, the Group has not renewed the engagement since the expiry of prior engagement in early 2004. In view of the increased popularity of online English learning services, the Group will continue to evaluate the returns on the business.

Leasing of equipment

Since 2003, the Group started to be engaged in leasing of corded and cordless POS equipment in Guangzhou for a term of five years with an option to extend till 17 July 2011. Monthly leasing income will be received on POS equipment each leased out. Other than leasing of POS equipment, the Group has the rights to operate the value-added services generated from the application of POS equipment. The business is now at its start-up of operation and the Group expects that the income from the business will increase in the future.

業務回顧 (續)

提供網上英語學習服務

自二零零一年起，本集團從事向中國（包括香港及澳門）地區客戶提供網上英語學習服務。由於服務成本大幅上升，本集團自二零零四年初前約屆滿後尚未續約。鑒於網上英語學習服務普及程度提高，本集團將繼續評估本業務的回報率。

租賃設備

本集團於二零零三年開始在廣州從事租賃有線及無線POS設備，為期5年，惟可續約至二零一一年七月十七日。各出租POS設備將會收到每月租賃收入。除租賃POS設備外，本集團亦有權經營源於POS設備應用之增值服務。有關之業務現處於起步階段，本集團預期業務之收入日後將會增加。

BUSINESS REVIEW (Cont'd)

Provision of telecommunication and other related services

In the Period, the Group has acquired 80.9% equity interest in 廣州天城網絡通訊有限公司 (“Sky City”), which provides integrated telecommunication network services to online game developers and other broadband media providers. Sky City has demonstrated that it has tapped into the rapidly growing market of on-line business in the PRC and the Group is very satisfied with its financial performance so far generated. With the continuing economic growth in the PRC, the growth in the internet population and the increasing demand for online games in the PRC, the Directors are of the view that Sky City would continue to provide very good contribution to the Group and it is expected that more resources would be put into this business in order to further strengthen its market position.

業務回顧 (續)

提供電訊及其他有關服務

於本期間，本集團收購廣州天城網絡通訊有限公司（「廣州天城」）80.9%股本權益，該公司向網上遊戲發展商及其他寬頻媒體供應商提供綜合電訊網絡服務。廣州天城表示其已經成功打入中國高速發展的上網業務，且本集團對其目前為止的財務狀況非常滿意。隨著中國經濟繼續增長、中國上網人數及網上游戲需求不斷增加，董事相信廣州天城將繼續為本集團作出貢獻，預計本集團將向該業務注入更多資源以便進一步鞏固市場佔有率。

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally financed its businesses with internally generated cash flows and banking facilities. Cash and bank balances of the Group as at 30 June 2004 amounted to HK\$101,853,000 (31 December 2003: HK\$41,312,000) and pledged deposits of HK\$772,000 (31 December 2003: HK\$553,000) while interest-bearing bank loans and borrowings for the Group amounted to HK\$92,069,000 (31 December 2003: HK\$41,045,000) of which 68%, 5%, 18% and 9% respectively are repayable within one year or on demand, in the second year, in the third to fifth years, inclusive, and beyond five years, respectively. An amount of HK\$56,310,000 bank loans as at 30 June 2004 were charged at fixed interest rates (31 December 2003: Nil).

The Group's gearing ratio as at 30 June 2004 was 0.25 (31 December 2003: 0.20), calculated based on the Group's total liabilities, excluding deferred income, of HK\$186,610,000 (31 December 2003: HK\$117,084,000) over total assets of HK\$744,050,000 (31 December 2003: HK\$599,059,000).

財務回顧

流動資金及財務資源

本集團一般以內部產生之流動現金及銀行信貸作為其運作所需資金。於二零零四年六月三十日，本集團之現金及銀行結存達101,853,000港元(二零零三年十二月三十一日：41,312,000港元)，及已抵押存款772,000港元(二零零三年十二月三十一日：553,000港元)，而計息之銀行貸款為92,069,000港元(二零零三年十二月三十一日：41,045,000港元)，其中68%、5%、18%及9%分別於一年內或按要求、第二年、第三至五年(包括首尾兩年)內及五年後償還。於二零零四年六月三十日按固定息率計息之銀行貸款為56,310,000港元(二零零三年十二月三十一日：無)。

本集團於二零零四年六月三十日之資本負債比率為0.25(二零零三年十二月三十一日：0.20)，乃按本集團債務總額(不包括遞延收入)186,610,000港元(二零零三年十二月三十一日：117,084,000港元)除以資產總值744,050,000港元(二零零三年十二月三十一日：599,059,000港元)計算。

FINANCIAL REVIEW (Cont'd)

Currency Structure

The Group had limited exposure to foreign exchange rate fluctuations as most of its transactions, including borrowings, were mainly conducted in Hong Kong dollars or Renminbi and the exchange rates of these currencies were relatively stable throughout the Period.

Pledge of Assets

The Group had utilized bank loan facilities amounting to approximately HK\$92,069,000 (31 December 2003: HK\$41,045,000) as at 30 June 2004. The bank loans were supported by certain of the Group's investment properties, corporate guarantees executed by the Company and certain independent third parties.

Contingent Liabilities

As at 30 June 2004, guarantees given for mortgage loans granted by banks to certain purchasers of the Group's properties amounted to HK\$7,722,000 (31 December 2003: HK\$5,529,000).

業務回顧 (續)

貨幣結構

由於本集團絕大部份交易(包括借款)主要以港元及人民幣進行，而該等貨幣匯率在本期間內相對穩定，故本集團於期間內所面對之外幣匯率波動不大。

資產抵押

於二零零四年六月三十日，本集團經已使用約92,069,000港元之銀行信貸額(二零零三年十二月三十一日：41,045,000港元)。銀行貸款以本集團若干投資物業及由本公司及若干獨立第三方簽立之公司擔保作為支持。

或然負債

於二零零四年六月三十日，就銀行向本集團物業若干買家批出之按揭貸款而作出之擔保達7,722,000港元(二零零三年十二月三十一日：5,529,000港元)。

FINANCIAL REVIEW (Cont'd)

Material Acquisitions of Subsidiaries

On 26 March 2004, the Group entered into a conditional agreement with an independent third party for the acquisition of 100% equity interest in Telesuccess International Limited ("Telesuccess") for a consideration of HK\$200,000,000. The sole asset of Telesuccess is its 80.9% equity interest in 廣州天城網絡通訊有限公司("Sky City"). Sky City is an integrated service provider to provide integrated service to online game developers and other broadband media providers in 2003.

Details of the acquisition of Telesuccess had been set out in a circular of the Company dated 31 May 2004. The transaction was completed on 11 June 2004.

Employee And Remuneration Policy

The Group employed approximately 54 full time staff in Hong Kong, Chongqing and Guangzhou, as at 30 June 2004. Employees are remunerated according to the nature of their job and market trend, with built-in merit components incorporated in the annual increment to reward and motivate individual performance. In Chongqing and Guangzhou, the Group provides staff welfare and bonuses to its employees in accordance with the prevailing labour law. In Hong Kong, other staff benefits include medical schemes, Mandatory Provident Fund Schemes and employee share option scheme.

業務回顧(續)

重大附屬公司收購

於二零零四年三月二十六日，本集團與一獨立第三方就按代價200,000,000港元收購 Telesuccess International Limited ("Telesuccess")之100%股權訂立一項有條件協議。Telesuccess之唯一資產為其於廣州天城網絡通訊有限公司("廣州天城")之80.9%股權。廣州天城已於二零零三年成為一間綜合服務供應商，向網上遊戲發展商及其他寬頻媒體供應商提供綜合服務。

收購Telesuccess之詳情載於本公司日期為二零零四年五月三十一日之通函內。該項交易於二零零四年六月十一日完成。

僱員及薪酬政策

於二零零四年六月三十日，本集團在香港、重慶及廣州共僱用約54名全職僱員。本集團根據員工之工作性質及市場趨勢釐定薪金，每年加薪亦考慮個別員工之優異表現，以獎勵及激勵員工爭取表現。就重慶及廣州而言，本集團按現行勞工法例為員工提供福利及花紅，而在香港則提供醫療計劃、強制性公積金計劃及僱員購股權計劃等其他福利。

FINANCIAL REVIEW (Cont'd)

Post Balance Sheet Event

Subsequent to the balance sheet date on 16 July 2004, the Company entered into a conditional subscription agreement in relation to the issue of bond in a principal amount of HK\$30,000,000 (the "Bond") to CNC Broadband Entertainment Corporation Limited. The maturity date of the Bond will be on the second anniversary from the date of the issue of the Bond. Assuming full conversion of the Bond at the initial conversion price of HK\$0.15 per share, 200,000,000 new shares will be issued by the Company. The proceeds will be used for the purpose of financing the Group's online games business operating in the PRC.

Details of the transaction were set out in the Company's press announcement dated 19 July 2004. The transaction was completed on 19 August 2004.

PROSPECTS

The Group is optimistic with the continuing economic growth in the PRC which creates numerous investment opportunities. The Group will continue to build on strength and expertise of its principal businesses and look for attractive investment opportunities in the PRC and prospects for growth. The Group will be more flexible in its future business expansion with aims to maximize shareholders' return.

業務回顧(續)

結算日後事項

於二零零四年七月十六日結算日後，本公司就有關向CNC Broadband Entertainment Corporation Limited發行本金額為30,000,000港元之債券(「債券」)訂立一項有條件認購協議。債券於發行日期後第二週年日到期。假設按初步換股價每股0.15港元(可不時予以調整)全數轉換債券，則本公司將發行200,000,000股新股。所得款項將會作為本公司於中國經營之網絡遊戲業務之所需資金。

該交易之詳情載於本公司日期為二零零四年七月十九日之報章公佈。該項交易於二零零四年八月十九日完成。

前景

本集團對中國經濟增長及由此帶來的無限投資商機充滿信心。本集團將繼續加強其主要業務實力及提高專業水準，並在中國物色有利商機及增長前景。本集團將更加靈活開拓未來業務以使股東獲得最高回報。

DIRECTORS'/CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

董事／主要行政人員所擁有之本公司及各相聯法團股份權益

As at 30 June 2004, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors and which were required to be entered into the register pursuant to Section 352 of the SFO, were as follows:

於二零零四年六月三十日，根據證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部規定及根據上市公司董事進行證券交易標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」），以及須根據證券及期貨條例第352章規定載入登記冊之本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中之權益及淡倉（包括根據該等證券及期貨條例規定被認為或被視為擁有之權益及淡倉）如下：

Long position in shares of the Company

於本公司股份之長倉

Name of Director	董事姓名	Number of shares held, capacity and nature of interest Through controlled corporation 所持股份數目、身份及權益性質 透過受控法團持有	Percentage of the issued share capital 佔已發行股本百分比
Ho Tsam Hung	何湛雄	270,000,000 (Note 1) (附註1)	7.84%
Ho Pak Hung	何伯雄	270,000,000 (Note 2) (附註2)	7.84%
Ho Kam Hung	何鑑雄	270,000,000 (Note 3) (附註3)	7.84%

DIRECTORS'/CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Cont'd)

Notes:

- (1) 270,000,000 shares are beneficially held by Ho Tsam Hung through Morgan Estate Assets Limited.
- (2) 270,000,000 shares are beneficially held by Ho Pak Hung through On Tai Profits Limited.
- (3) 270,000,000 shares are beneficially held by Ho Kam Hung through Morcambe Corporation.

The interests of the Directors in the share options of the Company are separately disclosed under the heading "Share Option Scheme" below.

SHARES IN ASSOCIATED CORPORATIONS OF THE COMPANY

At 30 June 2004, the following Directors of the Company had interests in the non-voting deferred shares in certain of the Company's subsidiaries:

Long position in shares of the associated corporations

- (a) Interests in the non-voting deferred shares of Smart Hero (Holdings) Limited

董事／主要行政人員所擁有之本公司及各相聯法團股份權益(續)

附註：

- (1) 270,000,000股由何湛雄透過Morgan Estate Assets Limited實益持有。
- (2) 270,000,000股由何伯雄透過On Tai Profits Limited實益持有。
- (3) 270,000,000股由何鑑雄透過Morcambe Corporation實益持有。

董事於本公司購股權之權益於以下題為「購股權計劃」部份中另行披露。

本公司相聯法團股份

於二零零四年六月三十日，下列董事所擁有之本公司若干附屬公司無投票權遞延股之權益如下：

於相聯法團股份之長倉

- (a) 所擁有之超霸控股有限公司無投票權遞延股份權益

Name of Director	董事姓名	Number of shares held and nature of interest	Beneficial owner	Percentage of the issued share capital 佔已發行股本百分比
		所持股份數目及權益性質		
Ho Tsam Hung	何湛雄	91		30.13%
Ho Pak Hung	何伯雄	91		30.13%
Ho Kam Hung	何鑑雄	91		30.13%

DIRECTORS'/CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Cont'd)

董事／主要行政人員所擁有之本公司及各相聯法團股份權益(續)

SHARES IN ASSOCIATED CORPORATIONS OF THE COMPANY (Cont'd)

本公司相聯法團股份(續)

(b) Interests in the non-voting deferred shares of China Land Realty Investment Limited

(b) 所擁有之中華置業地產投資有限公司無投票權遞延股份權益

Name of Director	董事姓名	Number of shares held and nature of interest	Beneficial owner	Percentage of the issued share capital
		所持股份數目及權益性質		
Ho Tsam Hung	何湛雄	91		30.13%
Ho Pak Hung	何伯雄	91		30.13%
Ho Kam Hung	何鑑雄	91		30.13%

All the above mentioned non-voting deferred shares carry no rights to dividends, to receive notice of or to attend or vote at any general meeting of the relevant company, or to participate in any distribution on winding-up.

上述所有無投票權遞延股份無權獲派股息、接收有關公司之股東週年大會通告或出席任何大會或於大會上投票，或參與任何清盤資產分派。

Save as disclosed above, as at 30 June 2004, to the knowledge of the Company, none of the directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

除上文所披露者外，據本公司所知，於二零零四年六月三十日，根據證券及期貨條例第352條規定設置之登記冊所記錄，概無任何本公司董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有或被視為擁有任何權益或淡倉，或根據證券及期貨條例第XV部第7及8分部及標準守則須知會本公司及聯交所之權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the headings “Directors’/chief executive’s interests in the shares of the Company and its associated corporations” above and “Share option scheme” below, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors or their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company’s share option scheme which was adopted on 19 September 1997 (the “Old Scheme”) was terminated and replaced by a new share option scheme (the “New Scheme”) on 11 June 2002. No share option was granted under the New Scheme since the adoption date on 11 June 2002.

The principal purpose of the New Scheme is to provide eligible participants with the opportunity to acquire proprietary interests in the Company and as an incentive to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

董事購買股份之權利

除上文「董事／主要行政人員所擁有之本公司及各聯繫公司股份權益」及下文「購股權計劃」所披露者外，於本期間內任何時間，概無將可藉購入本公司或任何其他法人團體之股份或債券而獲得利益之權利授予任何董事、彼等各自之配偶或18歲以下子女，而彼等亦概無行使該等權利。本公司或其附屬公司亦無參與訂立任何安排，使董事、彼等各自之配偶或18歲以下子女可自任何其他法人團體獲得該等權利。

購股權計劃

本公司於一九九七年九月十九日採納之購股權計劃（「舊計劃」）已於二零零二年六月十一日終止，並由新購股權計劃（「新計劃」）取代。自於二零零二年六月十一日採納新計劃後，概無根據新計劃授出購股權。

新計劃主要旨在給予合資格參與者獲得本公司權益之機會，並作為致力提高本公司及其股份之價值之誘因，使本公司及全體股東得益。

SHARE OPTION SCHEME (Cont'd)

購股權計劃 (續)

The options granted under the Old Scheme will remain in full force and effect, details of the options granted under the Old Scheme are as follows:

根據舊計劃授出之購股權仍具十足效力及作用，根據舊計劃授出之購股權詳情如下：

Name or category of participant 參與者 名稱及類別		Options outstanding at beginning and at end of period 期初及期末尚未行使之購股權數目	Exercise period of share options 購股權 行使期間	Exercise price of share options 購股權 行使價 HK\$ 港元
Directors 董事				
Ho Tsam Hung 何湛雄		27,500,000	1 December 2001 to 1 December 2004 二零零一年十二月一日至二零零四年十二月一日	0.1395
Ho Pak Hung 何伯雄		27,500,000	1 December 2001 to 1 December 2004 二零零一年十二月一日至二零零四年十二月一日	0.1395
Ho Kam Hung 何鑑雄		27,500,000	1 December 2001 to 1 December 2004 二零零一年十二月一日至二零零四年十二月一日	0.1395
		82,500,000		
Other employees in aggregate 其他僱員(合共)		8,000,000	1 December 2001 to 1 December 2004 二零零一年十二月一日至二零零四年十二月一日	0.1395
		90,500,000		

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2004, as far as is known to the Directors or the chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had interests or short positions in the shares and underlying share as recorded in the register required to be kept under section 336 of the SFO:

Long position in shares of the Company

主要股東

於二零零四年六月三十日，據本公司任何董事或主要行政人員所知，以下人士(本公司之董事或主要行政人員除外)擁有登記於根據證券及期貨條例第336條之規定存置之登記冊之股份及相關股份中之權益或淡倉如下：

於本公司股份之長倉

Name 名稱	Capacity and Nature of interest 身份及權益性質	Number of Shares held 所持股份數目	Percentage of the issued share capital 佔已發行 股本百分比
High Rank Enterprises Limited – Note 1 – 附註1	Beneficial owner 實益擁有人	1,140,000,000	33.10%
Mr. Man O Fu 文柯富先生	Beneficial owner 實益擁有人	464,396,284	13.48%
Morgan Estate Assets Limited – Note 2 – 附註2	Controlled corporation 受控法團	270,000,000	7.84%
On Tai Profits Limited – Note 3 – 附註3	Controlled corporation 受控法團	270,000,000	7.84%
Morcambe Corporation – Note 4 – 附註4	Controlled corporation 受控法團	270,000,000	7.84%
Ms. Yeung Ching Yi – Note 5 楊靜儀女士 – 附註5	Spouse 配偶	270,000,000	7.84%
Ms. Liang Gui Fen – Note 6 梁桂芬女士 – 附註6	Spouse 配偶	270,000,000	7.84%
Ms. Ye Jia Li – Note 7 葉家禮女士 – 附註7	Spouse 配偶	270,000,000	7.84%

SUBSTANTIAL SHAREHOLDERS (Cont'd)

Note 1 – Each of Mr. Ho Tsam Hung, Mr. Ho Pak Hung and Mr. Ho Kam Hung, being the executive Directors, is interested in approximately 31.58% of the issued share capital of High Rank Enterprises Limited.

Note 2 – Morgan Estate Assets Limited is wholly owned by Mr. Ho Tsam Hung.

Note 3 – On Tai Profits Limited is wholly owned by Mr. Ho Pak Hung.

Note 4 – Morcambe Corporation is wholly owned by Mr. Ho Kam Hung.

Note 5 – As Ms. Yeung Ching Yi is the spouse of Mr. Ho Tsam Hung, she is deemed to be interested in the 270,000,000 shares held by Morgan Estate Assets Limited.

Note 6 – As Ms. Liang Gui Fen is the spouse of Mr. Ho Pak Hung, she is deemed to be interested in the 270,000,000 shares held by On Tai Profits Limited.

Note 7 – As Ms. Ye Jia Li is the spouse of Mr. Ho Kam Hung, she is deemed to be interested in the 270,000,000 shares held by Morcambe Corporation.

Save as disclosed above, as at 30 June 2004, the Directors and the chief executive were not aware of any other person who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

主要股東(續)

附註1 – 何湛雄先生、何伯雄先生及何鑑雄先生均為執行董事，各持有 High Rank Enterprises Limited 已發行股本約 31.58% 權益。

附註2 – Morgan Estate Assets Limited 由何湛雄先生全資擁有。

附註3 – On Tai Profits Limited 由何伯雄先生全資持有。

附註4 – Morcambe Corporation 由何鑑雄先生全資擁有。

附註5 – 因楊靜儀女士為何湛雄先生配偶，故楊靜儀女士被視為於 Morgan Estate Assets Limited 所持有之 270,000,000 股股份中擁有權益。

附註6 – 因梁桂芬女士為何伯雄先生配偶，故梁桂芬女士被視為於 On Tai Profits Limited 所持有之 270,000,000 股股份中擁有權益。

附註7 – 因葉家禮女士為何鑑雄先生配偶，故葉家禮女士被視為於 Morcambe Corporation 所持有之 270,000,000 股股份中擁有權益。

除上文所披露者外，於二零零四年六月三十日，董事及主要行政人員並不知悉有任何人士擁有登記於根據證券及期貨條例第336條之規定存置之登記冊之本公司股份及相關股份中之權益或淡倉。

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules throughout the Period, except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's Bye-laws.

The Company has an audit committee which was established in accordance with the requirements of the Code, for the purpose of reviewing and supervising the Company's financial reporting process and internal controls. The audit committee currently comprises the two independent non-executive directors of the Company.

REVIEW BY AUDIT COMMITTEE

The unaudited condensed consolidated interim financial statements of the Group have been reviewed by the Audit Committee of the Company.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

By order of the Board
Ho Tsam Hung
Chairman

Hong Kong, 22 September 2004

最佳應用守則

董事會認為，除本公司未按照最佳應用守則（「守則」）第7段規定非執行董事之具體任期（惟須按照本公司細則實行輪席退任）外，本公司於期內一直遵守上市規則附錄14所載之最佳應用守則。

本公司已根據守則之規定成立審核委員會，以審閱及監管本公司財務申報程序及內部控制。審核委員會現由本公司兩位獨立非執行董事組成。

由審核委員會審閱

本集團之未經審核簡明綜合中期財務報表已由本公司之審核委員會審閱。

買賣或贖回本公司上市證券

期內，本公司或其任何附屬公司概無買賣或贖回任何本公司之上市證券。

承董事會命
主席
何湛雄

香港，二零零四年九月二十二日