CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

2003/2004 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "Directors") of CEC International Holdings Limited (the "Company") is pleased to announce that the unaudited consolidated income statement of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and six months ended 31st October 2003 together with unaudited comparative figures for the corresponding period in 2002, and the unaudited consolidated balance sheet of the Group as at 31st October 2003 together with audited comparative figures as at 30th April 2003, are as follows:

CONSOLIDATED INCOME STATEMENT

		Three months ended 31st October		Six months ended 31st October	
		2003	2002	**2003**	2002
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Turnover	*2*	**125,257**	132,595	**235,550**	247,959
Cost of sales		**(96,031)**	(100,871)	**(177,087)**	(189,503)
Gross profit		**29,226**	31,724	**58,463**	58,456
Selling and distribution expenses		**(2,771)**	(4,332)	**(5,608)**	(7,935)
General and administrative expenses		**(17,118)**	(20,050)	**(33,811)**	(33,832)
Other operating expenses		**(331)**	(562)	**(662)**	(1,125)
Operating profit	*2,3*	**9,006**	6,780	**18,382**	15,564
Interest income		**40**	110	**92**	235
Interest expense		**(4,507)**	(4,477)	**(9,055)**	(9,430)
Share of profits less losses of associates		**14**	–	**22**	–
Share of profits less losses of jointly controlled entities		**–**	(17)	**–**	(35)
Profit before taxation		**4,553**	2,396	**9,441**	6,334
Taxation	*4*	**(609)**	(301)	**(898)**	(1,040)
Profit after taxation but before minority interests		**3,944**	2,095	**8,543**	5,294
Minority interests		**4**	–	**–**	–
Profit attributable to shareholders		**3,948**	2,095	**8,543**	5,294
Basic earnings per share	*6*	**0.57 cent**	0.30 cent	**1.23 cents**	0.77 cent

CONSOLIDATED BALANCE SHEET

	Notes	As at 31st October 2003 HK$'000 (Unaudited)	As at 30th April 2003 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	7	**468,031**	460,469
Investment properties	8	**2,520**	–
Investment in associates		**4,304**	4,193
Deposit with an associate		**1,250**	8,577
Deferred tax assets		**415**	413
Total non-current assets		**476,520**	473,652
CURRENT ASSETS			
Inventories		**78,964**	83,756
Trade receivables	9	**84,317**	77,680
Bills receivable		**960**	583
Prepayments, deposits and other current assets		**10,385**	9,713
Tax recoverable		**432**	436
Investment		**8,191**	7,939
Pledged bank deposits		**25,044**	24,983
Bank balances and cash		**24,207**	19,257
Total current assets		**232,500**	224,347
CURRENT LIABILITIES			
Short-term bank borrowings		**(107,032)**	(147,799)
Long-term bank loans, current portion		**(77,470)**	(42,996)
Finance lease obligations, current portion		**(9,955)**	(14,487)
Trade payables	10	**(48,826)**	(51,876)
Bills payable		**(3,650)**	(660)
Accruals and other payables		**(21,354)**	(21,788)
Tax payable		**(149)**	(140)
Total current liabilities		**(268,436)**	(279,746)
Net current liabilities		**(35,936)**	(55,399)
Total assets less current liabilities		**440,584**	418,253
NON-CURRENT LIABILITIES			
Long-term bank loans, non-current portion		**(109,391)**	(92,862)
Finance lease obligations, non-current portion		**(4,598)**	(8,226)
Deferred tax liabilities		**(20,562)**	(19,740)
Total non-current liabilities		**(134,551)**	(120,828)
MINORITY INTERESTS		**(61)**	(61)
Net assets		**305,972**	297,364
CAPITAL AND RESERVES			
Share capital		**69,303**	69,303
Reserves		**236,669**	228,061
Shareholders' equity		**305,972**	297,364

Notes:

1. **Principal accounting policies**

The interim financial statements for the three months and six months ended 31st October 2003 comply with Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants, and the same principal accounting policies and methods of computation are followed as compared with the most recent published annual financial statements for the year ended 30th April 2003, except that the Group has adopted SSAP 12 (revised) "Income taxes", which is effective for accounting periods commencing on or after 1st January 2003, and SSAP 13 "Accounting for investment properties", issued by the Hong Kong Society of Accountants for the first time in the current period.

SSAP 12 (revised) "Income taxes"

In prior years, deferred tax was recognised in respect of the taxation effect arising from material timing differences to the extent that a liability or an asset is expected to be payable or receivable in the foreseeable future. Under SSAP 12 (revised), a balance sheet liability method is adopted whereby deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts. Provision for withholding tax that will arise on the remittance of retained profits is only made where there is a current intention to remit such profits. Deferred tax assets relating to unused tax losses are recognised to the extent that the future utilisation is probable. The new accounting policy has been adopted retrospectively. As a result, the property revaluation reserve as at 30th April 2003 has been reduced by HK$3,308,000 (2002: HK$3,300,000) and the retained profits as at 30th April 2003 have been increased by HK$413,000 (2002: HK$406,000). The deferred tax liabilities and deferred tax assets as at 30th April 2003 have been increased by HK$3,308,000 (2002: HK$3,300,000) and HK$413,000 (2002: HK$406,000), respectively. The loss attributable to shareholders for the year ended 30th April 2003 has been reduced by HK$7,000.

SSAP 13 "Accounting for investment properties"

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length. Investment properties are stated at their open market value. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged. On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement. No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less. The adoption of this SSAP had no material effect on the Group's financial statements.

2. **Segment information**

The Company is an investment holding company. Its subsidiaries are principally engaged in (i) the design, development, manufacture and sale of a wide range of coils, capacitors and other electronic components, which are generally used in the manufacture of various kinds of electronic and electrical products; and (ii) the provision of information technology services.

Analysis of turnover and operating profit/(loss) by business segment is as follows:

	Turnover			
	Three months ended 31st October		**Six months ended 31st October**	
	2003	2002	**2003**	2002
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Coils manufacturing	**109,680**	103,562	**206,871**	195,733
Capacitors manufacturing	**4,188**	13,610	**6,847**	22,413
Electronic components trading	**10,742**	15,423	**19,342**	29,813
Information technology services	**647**	–	**2,490**	–
	125,257	132,595	**235,550**	247,959

	Operating profit/(loss)			
	Three months ended 31st October		**Six months ended 31st October**	
	2003	2002	**2003**	2002
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Coils manufacturing	**11,377**	7,337	**21,646**	15,803
Capacitors manufacturing	**(1,212)**	456	**(2,100)**	1,005
Electronic components trading	**195**	(491)	**581**	(722)
Information technology services	**(1,354)**	(522)	**(1,745)**	(522)
	9,006	6,780	**18,382**	15,564

Analysis of turnover and operating profit/(loss) by geographical segment is as follows:

	Turnover			
	Three months ended 31st October		**Six months ended 31st October**	
	2003	2002	**2003**	2002
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**77,158**	82,830	**147,928**	164,371
Mainland China	**18,757**	11,837	**31,959**	20,264
Taiwan	**10,820**	20,027	**20,335**	33,956
Europe	**8,993**	7,827	**15,338**	12,486
Singapore	**5,743**	7,071	**12,423**	12,111
Others	**3,786**	3,003	**7,567**	4,771
	125,257	132,595	**235,550**	247,959

	Operating profit/(loss)			
	Three months ended 31st October		**Six months ended 31st October**	
	2003	2002	**2003**	2002
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**4,977**	4,181	**10,722**	8,416
Mainland China	**394**	542	**2,806**	3,418
Taiwan	**(148)**	603	**(403)**	1,502
Europe	**1,016**	427	**1,569**	763
Singapore	**2,898**	1,619	**3,843**	2,609
Others	**(131)**	(592)	**(155)**	(1,144)
	9,006	6,780	**18,382**	15,564

3. Operating profit

Operating profit is stated after crediting and charging the following:

	Three months ended 31st October		**Six months ended 31st October**	
	2003	2002	**2003**	2002
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Crediting				
Unrealised gain on investment	**103**	–	**252**	–
Charging				
Depreciation of property, plant and equipment	**17,417**	17,940	**29,504**	32,432
Amortisation of distribution right	**–**	267	**–**	534
Cost of inventories sold	**95,357**	100,871	**175,696**	189,503
Staff costs (including directors' emoluments)	**26,966**	22,155	**53,436**	46,530

4. Taxation

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profit for the period. Subsidiaries of the Company in Mainland China are subject to Mainland China enterprise income tax ranging from 12% to 33% (2002: 15% to 33%) on their taxable income determined according to Mainland China tax laws. Other overseas taxation has been calculated on the estimated assessable profits for the period at the rates prevailing in the respective jurisdictions.

The amount of taxation charged to the consolidated income statement represents:

	Three months ended 31st October		**Six months ended 31st October**	
	2003	2002	**2003**	2002
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong profits tax				
– current tax	**–**	66	**–**	508
– over-provision in prior years	**(1)**	–	**(19)**	–
Mainland China enterprise income tax				
– current tax	**33**	235	**95**	532
Deferred taxation	**577**	–	**822**	–
	609	301	**898**	1,040
Shares of taxation attributable to:				
– associates	**–**	–	**–**	–
– jointly controlled entities	**–**	–	**–**	–
	609	301	**898**	1,040

5. Dividends

The Directors resolved not to declare any interim dividend in respect of the six months ended 31st October 2003 (2002: Nil).

6. Earnings per share

The calculation of basic earnings per share for the three months ended 31st October 2003 is based on the profit attributable to shareholders of approximately HK$3,948,000 (2002: HK$2,095,000) and the weighted average number of 693,028,811 (2002: 693,028,811) shares in issue during the period.

The calculation of basic earnings per share for the six months ended 31st October 2003 is based on the profit attributable to shareholders of approximately HK$8,543,000 (2002: HK$5,294,000) and the weighted average number of 693,028,811 (2002: 687,115,768) shares in issue during the period.

Diluted earnings per share is not presented as the outstanding share options and warrants during the three months and six months ended 31st October 2002 and 31st October 2003 were anti-dilutive.

7. Property, plant and equipment

During the six months ended 31st October 2003, the additions to property, plant and equipment were approximately HK$37,719,000 (six months ended 31st October 2002: HK$15,114,000).

8. Investment properties

During the six months ended 31st October 2003, the additions to investment properties were approximately HK$2,291,000 (six months ended 31st October 2002: Nil).

9. Trade receivables

The aging analysis of trade receivables is as follows:

	As at 31st October 2003 *HK$'000*	As at 30th April 2003 *HK$'000*
Current	**56,516**	52,393
Overdue by 0 – 1 month	**7,078**	9,472
Overdue by 1 – 2 months	**7,024**	3,879
Overdue by 2 – 3 months	**3,454**	5,923
Overdue by more than 3 months	**13,553**	8,922
	87,625	80,589
Less: Provision for bad and doubtful debts	**(3,308)**	(2,909)
	84,317	77,680

Management of the Group performs ongoing credit and collectibility evaluations of each customer. Provisions for potential credit losses are maintained and such losses in aggregate have not exceeded management's estimates. The Group offers an average credit period ranging from one to three months to its trade customers who have good payment records and well-established relationships with the Group.

10. Trade payables

The aging analysis of trade payables is as follows:

	As at 31st October 2003 *HK$'000*	As at 30th April 2003 *HK$'000*
Current	**32,793**	29,248
Overdue by 0 – 1 month	**3,772**	9,565
Overdue by 1 – 2 months	**6,513**	4,840
Overdue by 2 – 3 months	**1,288**	2,656
Overdue by more than 3 months	**4,460**	5,567
	48,826	51,876

11. Warrants

As at 1st May 2003, there were outstanding warrants of 300,800,000 units, which carry subscription rights of HK$1.475 for every 10 units of warrants entitling the holders thereof to subscribe in cash for 90,546,938 new shares in the Company at an adjusted subscription price of HK$0.49 per new share (subject to adjustment) from the date of issue (3rd July 2000) to 30th September 2003 (both dates inclusive). The subscription rights attached to all the outstanding warrants expired on 30th September 2003 and following such date, the warrants ceased to be valid for any purpose. Up to 30th September 2003, no warrant has been exercised.

12. Contingent liabilities

Contingent liabilities not provided for in the financial statements are:

	As at 31st October 2003 *HK$'000*	As at 30th April 2003 *HK$'000*
Factoring of trade receivables with recourse	**39,166**	25,286

13. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Review

Looking back on the first six months of the financial year 2003/2004, the business environment of electronic manufacturing industry has improved with the recovery of global economy.

During the period under review, the Group's profit attributable to shareholders was HK$8,543,000 (2002: HK$5,294,000). Turnover for the period was HK$235,550,000 (2002: HK$247,959,000), down 5.0% as compared with the corresponding period last year. The reason for the decrease in turnover is that the Group continues to trim the electronic components trading business with lower profit margin. During the period under review, the turnover of electronic components trading segment was HK$19,342,000 (2002: HK$29,813,000), representing a marked drop of 35.1% as compared with the corresponding period last year. On the other hand, the turnover of coils manufacturing segment, the core business, rose 5.7% to HK$206,871,000 (2002: HK$195,733,000).

The current turnover distribution of the Group's operations reflects that the Group is actively amassing its resources to explore the core coils business. The Group's overall gross profit and gross profit margin for the period recorded an increase to HK$58,463,000 (2002: HK$58,456,000) and 24.8% (2002: 23.6%), respectively. The Group's overall profit performance reflects the Group's competitive edges in coils manufacturing and demonstrates that the Group should continue to implement its corporate policy of intensive development of its core manufacturing business.

	Turnover Six months ended 31st October		**Gross profit/(loss) Six months ended 31st October**	
	2003	2002	**2003**	2002
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Coils manufacturing	**206,871**	195,733	**57,434**	54,315
Capacitors manufacturing	**6,847**	22,413	**(1,573)**	2,268
Electronic components trading	**19,342**	29,813	**1,503**	1,873
Information technology services	**2,490**	–	**1,099**	–
	235,550	247,959	**58,463**	58,456

Manufacturing segment

The Group's core manufacturing business is the manufacture of coils. The Group has been focusing on developing its coils manufacturing business during the period, such that the turnover of coils manufacturing segment for the six months ended 31st October 2003 recorded a rise of 5.7% as compared with the corresponding period last year. The gross profit of this business was HK$57,434,000 (2002: HK$54,315,000), with an increase over the corresponding period last year as well, while the gross profit margin maintained at a similar level of 27.8% (2002: 27.7%). As for capacitors manufacturing segment, the Group has been active in reshuffling certain capacitors customers with relatively long payment term, resulting in a drop in its turnover. On the other hand, the Group has been keen on promoting capacitors to quality customers and it is expected that there will be a gradual improvement in the capacitors business in the future.

The application of the coils produced by the Group mainly comprises audio-visual, electrical home appliances, toys, computers and office automation equipment, lighting facilities, telecommunication, automobiles, and other electronic and electrical products. For the six months ended 31st October 2003, the Group's sales to power-supply product manufacturers accounted for 15.0% (2002: 7.2%) of the Group's turnover. This indicates that the power-supply coils and manganese-zinc ferrite, which have been actively invested and developed by the Group in recent years, have become one of the Group's flagship products, and that the Group's investment in power-supply coils and manganese-zinc ferrite is gradually paying off. As the demand for switching power supply units and anti-electromagnetic interference filters is going up, the Group expects that the sales of products in this segment will increase accordingly.

During the period, the Group has been committed to developing the European market and to securing customers in Europe. Sales to European region amounted to HK$15,338,000 (2002: HK$12,486,000) during the period under review. Meantime, as many electronic and electrical appliance manufacturers from all over the world have been keeping on establishing factories and furnishing their purchases in Mainland China, the Group, capitalising on the business opportunities emerged from this trend, succeeded in securing a number of customers from Europe and the USA and becomes one of their main suppliers in Mainland China. As a result, the Group's sales within Mainland China for the period soared 57.7% to HK$31,959,000 (2002: HK$20,264,000) as compared with the corresponding period last year.

Copper wires, plastics and various metal oxides (such as iron, zinc, manganese, nickel, copper and cobalt, etc.) are the principal materials purchased for the Group's core business. Since the metal prices in the global market have been rising throughout 2003 and exerting pressure on the material costs of the core business, the Group will closely monitor the price fluctuation in metal markets.

Trading segment
Carrying on the corporate policy formulated by the Group last year, which includes amassing resources to develop the core manufacturing business, curtailing or restructuring under-performing projects, the turnover of electronic components trading segment with lower profit margin dropped significantly to HK$19,342,000 (2002: HK$29,813,000) as compared with the corresponding period last year. The gross profit fell with the turnover to HK$1,503,000 (2002: HK$1,873,000), but the gross profit margin rose to 7.8% (2002: 6.3%) for the same period. This indicates that the Group is actively embarking on the restructure of the trading segment, and that business with lower profit margin will be further retrenched with a view to alleviating the credit exposure and cost of capital associated with non-core business.

Information technology segment
During the period under review, the Group's information technology segment has not performed up to the mark and recorded a turnover of HK$2,490,000 (2002: Nil) with a gross profit of HK$1,099,000 (2002: Nil) for the period. Here and now, Sun-iOMS (Hong Kong) Limited ("Sun-iOMS", a 51% owned subsidiary of the Group) recorded an operating loss of HK$767,000 for the period, which was mainly attributable to the slow-down of sales in September and October. Currently, Sun-iOMS is actively soliciting more sales orders so as to catch up in the short run. Besides, the project regarding the "Corporate Process Management System" related product is being actively developed by Chongqing CEC-Technology Limited (a wholly-owned subsidiary of the Group) during the period, which is about to unfold its sales and marketing with project completion two quarters later.

Financial review
As at 31st October 2003, the Group's aggregate banking facilities from banks amounted to HK$430,621,000 (as at 30th April 2003: HK$539,426,000), of which HK$87,917,000 (as at 30th April 2003: HK$222,320,000) remained unutilised. Cash and bank deposits were HK$49,251,000 (as at 30th April 2003: HK$44,240,000), denominated mainly in Hong Kong dollars, United States dollars, Renminbi, Singapore dollars and New Taiwan dollars. The Group is required to meet certain restrictive financial covenants with the major banks.

	Financial covenants with major banks	**As at 31st October 2003**	**Compliance with financial covenants**
Net tangible assets	Above HK$290,000,000	**HK$305,972,000**	Complied
Current ratio	Above 0.70	**0.87**	Complied
Interest coverage ratio	Above 3.50 times	**5.34 times**	Complied
Net gearing ratio (1)*	Below 1.05	**0.99**	Complied
Net gearing ratio (2)#	Below 0.85	**0.83**	Complied

* The ratio of (total borrowings plus bills payable and contingent liabilities less total cash and bank deposits) over (net tangible assets less proposed final dividends)

\# The ratio of (total borrowings plus bills payable less total cash and bank deposits and investment) over (net tangible assets plus minority interests less proposed final dividends)

Cash flow summary

	Six months ended 31st October		**Change**
	2003	2002	
	HK$'000	*HK$'000*	
Cash inflow from operating activities	**44,164**	9,685	↑
Cash outflow from investing activities	**(31,273)**	(5,260)	↓
Cash inflow/(outflow) from financing activities	**11,270**	(5,314)	↑
Cash and cash equivalents, end of period	**15,159**	(9,229)	↑

The Group's net cash inflow for the six months ended 31st October 2003 was HK$24,430,000 (2002: HK$1,554,000). As at 31st October 2003, cash and cash equivalents amounted to HK$15,159,000 (as at 31st October 2002: minus HK$9,229,000). The increase in net cash inflow was mainly attributable to the net cash inflow from operating activities of HK$44,164,000 (2002: HK$9,685,000). The net cash outflow from investing activities was HK$31,273,000 (2002: net cash outflow of HK$5,260,000). This was primarily attributable to the capital expenditure for the period of HK$40,010,000 (2002: HK$15,114,000), mostly resulting from the purchase of equipment for the investment in Nanjing Project and expansion of coils manufacturing segment. The net cash inflow from financing activities was HK$11,270,000 (2002: net cash outflow of HK$5,314,000), mainly attributable to the new long-term bank loan of HK$165,000,000 during the period, which had positive impact on the Group's debt structure and cash flow.

Future Plans and Prospects

The Nanjing project

The ready-to-press ferrite powder production plan drawn up by Nanjing Guo Zhong Magnetic Material Co., Ltd. ("Nanjing Guo Zhong"), a wholly-owned subsidiary of the Group, at the beginning of 2003 is now progressing as originally scheduled. According to the sales and purchase agreement entered into between the Group and Nanjing Fei Jin Magnetic Products Co., Ltd. ("Nanjing Fei Jin"), a subsidiary of LG.Philips Displays, Nanjing Fei Jin will purchase from Nanjing Guo Zhong 80% of its demand for ferrite powder for the production of "deflection yoke", which is a crucial component in display tubes.

All the plant infrastructure and production equipment installation were completed in October 2003. Based on the demand forecast prepared by Nanjing Fei Jin in October 2003, the purchase volume will be gradually increased from 70 tons for trial production in November 2003 to 472 tons in March 2004. The 70 tons delivered by Nanjing Guo Zhong to Nanjing Fei Jin have been checked and received in November 2003, and Nanjing Guo Zhong, while engaging in full production to cope with the demand of Nanjing Fei Jin, will reinforce its efforts on quality control and stability of product as well.

As at 31st October 2003, the Group has invested HK$16,679,000 in the Nanjing Project, mainly for plants and production equipment, and it is expected that the total investment will be within HK$23,000,000.

Carrying through the "people-oriented" concept

The Group has been placing an emphasis on human resources strategy as well as carrying through the "people-oriented" concept. It is because the Group believes that a company cannot prosper without abundant talents. During the period under review, the Group has implemented a human resources program, namely the "Executive Trainee Program". The "Executive Trainee Program" aims to recruit graduates and professionals from the Pearl River Delta, the base of the Group's core business, and have them worked and trained in the Group, playing a supportive role in the growth of the Group. In addition to new ideas and vitality that comes with the recruits, the program can also replenish the high rate of brain drain due to the high flow rate of population in the Pearl River Delta in recent years.

The first stage of the "Executive Trainee Program" has been launched during the period under review. Since the Group considers Hong Kong to be an important center of talents, with a rich supply of graduates from various universities in Hong Kong. The first stage of the program involves recruiting a number of outstanding graduates from Hong Kong and having them worked in the Group's core business base in Zhongshan, where they will be put through practice and training covering production management, purchasing, sales, systems management and capital analysis, etc. Through the above arrangement, the graduates may acquire working experience in business and in manufacturing industry in Mainland China, thereby boost the Group's business growth in Mainland China. For the period from the start of summer this financial year to 31st October 2003, the Group has recruited more than 20 university graduates from Hong Kong. The first stage of the "Executive Trainee Program" targets at recruiting a total of 60 graduates from universities in Hong Kong in the financial year.

The above was written by:
Cheung Ming Yat
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Capital Management Department

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31st October 2003.

CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 31st October 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except that the non-executive director (Mr. Tang Tin Sek, who has been re-designated as an independent non-executive director with effect from 3rd June 2003) and independent non-executive directors have not been appointed for a specific term, but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company's Bye-laws.

By Order of the Board
Lam Wai Chun
Chairman

Hong Kong, 18th December 2003

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