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The English text of this Interim Report shall prevail over the Chinese text.

CORPORATE INFORMATION

PLACE OF INCORPORATION

Cayman Islands

BOARD OF DIRECTORS

Executive Directors

Deacon Te Ken CHIU, J.P. (*Chairman*)

David CHIU, Dato', B.Sc.

(*Deputy Chairman and
Chief Executive Officer*)

Steven Ying Wai KWAN, A.C.A. (Aust.)
(*Managing Director*)

Michael Chi Ning O'YOUNG,

B.E. (Hons), M.I.C.E.

Craig WILLIAMS, B.ENG (CIVIL)

Dennis CHIU, B.A.

Non-Executive Directors

Ching Lan JU CHIU, J.P.

Dick Tat Sang CHIU, M.A.

Daniel Tat Jung CHIU

Kohei OGAWA, M.B.A., B.A.

Independent Non-Executive Directors

Kee Leong CHEE, Datuk

David Kwok Kwei LO

COMPANY SECRETARY

Kwok Wor CHOW, F.C.S., F.H.K.S.A.

AUTHORIZED REPRESENTATIVE

David CHIU

Michael Chi Ning O'YOUNG

SOLICITORS

Hong Kong

Woo, Kwan, Lee & Lo

David Lo & Partners

Malaysia

Shearn Delamore & Co.

Wong Lu Peen & Tunka Alina

Australia

Freehill, Hollingdale & Page

Herbert Geer & Rundle

AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

AUDIT COMMITTEE

Kee Leong CHEE

David Kwok Kwei LO

Daniel Tat Jung CHIU

SHARE AND WARRANT REGISTRARS

Standard Registrars Limited

5th Floor, Wing On Centre,

111 Connaught Road Central,

Hong Kong

PRINCIPAL BANKERS

Hong Kong

Banque Nationale de Paris
First Pacific Bank Limited
Hua Chiao Commercial Bank Limited
Nanyang Commercial Bank Limited
Orix International Finance Limited
The Chase Manhattan Bank, N.A.
The Hongkong and Shanghai Banking Corporation Limited
Wing Hang Bank Limited

Malaysia

Arab-Malaysian Bank Berhad
Citibank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Multi-Purpose Bank Berhad
Southern Bank Berhad
Standard Chartered Bank Malaysia Berhad

Singapore

The Development Bank of Singapore Limited

Australia

Australia and New Zealand Banking Group Limited
Commonwealth Bank of Australia

China

Bank of Shanghai
China Merchants Bank
Construction Bank of China
Industrial and Commercial Bank of China
Po Sang Bank Limited

REGISTERED OFFICE

P.O. Box 1043, Ground Floor,
Caledonian House, Mary Street,
George Town,
Grand Cayman, Cayman Islands,
British West Indies.

PRINCIPAL OFFICE

16/F., Far East Consortium Building,
121 Des Voeux Road Central,
Hong Kong.

LISTING INFORMATION

Ordinary Shares (Code: 035)
2000 Warrants (Code: 1084)
The Stock Exchange of Hong Kong Limited

DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

INTERIM RESULTS

The Board of Directors of Far East Consortium International Limited (the "Company") is pleased to announce the unaudited interim financial results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2000. This unaudited interim financial results has been reviewed by the Company's audit committee.

Corporate Results

Turnover for the six months ended 30th September, 2000 was HK\$393,440,000 as compared to HK\$377,635,000 in the corresponding period of 1999, an increase of 4%. Profit attributable to shareholders was HK\$22,653,000, a decrease of 25%.

Financial Resources and Liquidity

Borrowings and Charge on Group Assets

The Group's total borrowings amount to approximately HK\$710 million as at 30th September, 2000 (31/3/2000: HK\$688 million).

Interest rates were in line with the best lending rates either at prime or based on the Hong Kong Inter-bank Offer Rate.

Gearing Ratio

The gearing ratio (total bank and other borrowings to shareholders' equity) increased from 28.2% to 29.2% during the period. This ratio is considered satisfactory.

Current Ratio

The current ratio is 1.40. The Group has maintained sufficient liquid assets to finance its daily operations.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend in respect of the six months ended 30th September, 2000 (1999 – Nil).

REVIEW OF OPERATIONS, OUTLOOK AND STRATEGY

Business Review

Property Division

Hong Kong

The main projects under development are as follows:

1. *Baker Street, Hunghom* – A 35-storey commercial-residential development comprising a total gross floor area of approximately 59,000 sq.ft. Foundation work has commenced and is expected to be finished by March 2001. The sales launch is scheduled to take place in the first half of 2001.
2. *Pak Shek Wo, Sai Kung* – A 15 detached house development with a total gross floor area of 18,000 sq.ft. Site work is scheduled to commence in early 2001.
3. *Anchor Street, Tai Kok Tsui* – The site will be developed into a four star hotel with 200 rooms. Construction should commence by mid 2001. The site is at present rented out to parking.
4. *Tan Kwai Tsuen, Yuen Long* – This project consists of 62 units of 4-storey apartments with a total gross floor area of 52,200 sq.ft. Construction work will commence in mid 2001.
5. *Sheung Yeung, Sai Kung* – It is proposed to build 24 village houses with a total gross floor area of 50,400 sq.ft. We have commenced building work on 4 houses for Phase 1, and depending on market response the other phases will follow.

In addition, the Group has increased its land bank and property portfolio with the following acquisitions subsequent to the financial period:

1. the property located at Chuk Kok, Sai Kung with a land area of about 30,000 sq.ft.;
2. the property located at Hung Shui Kiu with a land area of about 30,300 sq.ft.;
3. the property known as Hong Kong 26 Court, No. 5B Chancery Lane, Mid-Levels, Central, Hong Kong.

A conditional agreement has been entered to acquire up to a maximum of 15.33% interest in the property located at Fung Lok Wai, Yuen Long with a land area of about 8,610,000 sq.ft..

China

1. *California Gardens* – This project in Shanghai consists of approximately 6,000 homes when fully developed. Over 2,000 homes have been sold.
2. *New Time Plaza, Guangzhou* – Preparation for the construction work of the residential tower is in progress. We intend to commence sales next year.

Malaysia

1. *Karunmas Ehsan* – This project consists of a total of 877 units. Phases 1 and 2 totalling 426 units have been 88% sold and in Phase 3, comprising 240 units have been 54% sold.
2. *Taman Teluk Gedong Indah* – This project consists of 828 units. In Phase 1, 335 units have been sold. The balance will be launched next year.
3. *Sri Dutamas* – This will be by far the largest housing project to be undertaken by the Group in Malaysia and will comprise of 3,300 units to be developed in phases. Construction will begin and sales will be launched next year.

Australia

360-370 St Kilda Road Development – Following the successful completion of Phase 1, Phase 2 has commenced construction and has been 100% presold as at 30th September, 2000. The anticipated completion of the construction is June 2001.

Hotel Division

1. *The Pearl Garden Hotel and the Pearl Seaview Hotel* in Hong Kong comprise a total of 356 rooms. The Group has full confidence in the three/four star hotel business in Hong Kong and has entered into two agreements to acquire the two hotels on 20th October, 2000. The two hotels are regarded as three star hotels and maintain an occupancy rate of around 95%. The acquisitions will provide an opportunity to the Group to further its hotel business and in addition will provide a steady income to the Group.
2. *The Rockman Regency* in Melbourne, with 185 rooms, continued to perform satisfactorily in the 6 months to September 2000.

3. *The Dorsett Regency Hotel* in Kuala Lumpur, with 320 rooms, has turnaround and will provide a positive return to our investment.
4. *The Dallas Grand Hotel* in USA, with 700 rooms, will be refurbished and upgraded to improve its occupancy rate.

Industrial and Infrastructure Division

The National Highway 311 in Henan Province is expected to be completed before year end. It is expected that the Group's 68% interest in the 44km Highway will contribute a steady return to the Group's investments.

The boiler factory in Guangzhou had a moderate performance. The Board believes that the operation of the boiler factory will gradually improve.

Employees and Remuneration Policies

The number of employees as at 30th September, 2000 was approximately 2000. Employees are remunerated according to nature of the job and market conditions.

Corporate Strategy and Outlook

The Group has full confidence in Hong Kong and will utilise its financial resources to concentrate its focus in the property development and hotel business in Hong Kong. We believe this policy will create satisfactory return to our shareholders in the coming years.

Our corporate strategy may be summarised as follows:

1. to continue the disposal of the non-core assets;
2. to continue our investment in hotels business in Hong Kong;
3. to continue our investment in the Hong Kong property development and to increase our land bank portfolio.

On behalf of the Board

DAVID CHIU

Deputy Chairman and Chief Executive Officer

Hong Kong, 18th December, 2000

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES

DIRECTORS' INTERESTS IN SECURITIES

As at 30th September, 2000, the interests of Directors in the 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 required to be kept by the Company under Section 29 of the SDI Ordinance or otherwise notified to the listed issuer and the Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies were as follows:

(a) Shares

Name of Director	Number of ordinary shares		Total
	Personal interests	Corporate interests	
Deacon Te Ken Chiu	9,688,973	106,764,126 (<i>Note 1</i>)	116,453,099
David Chiu	664	259,004,205 (<i>Note 2</i>)	259,004,869
Dennis Chiu	7,163	4,806,488 (<i>Note 3</i>)	4,813,651
Ching Lan Ju Chiu	1,108,018	–	1,108,018
Dick Tat Sang Chiu	770,697	–	770,697
Daniel Tat Jung Chiu	36,250	3,877,218 (<i>Note 4</i>)	3,913,468

Notes

1. These shares are held by various companies controlled by Mr. Deacon Te Ken Chiu.
2. These shares are held by Sumptuous Assets Limited.
3. These shares are held by Chiu Capital N.V. and First Level Holdings Limited.
4. These shares are held by First Level Holdings Limited and entirely duplicated and included in the corporate interests of Mr. Dennis Chiu.

(b) Options

(i) *The Company's option scheme*

As at 30th September, 2000, Mr. Michael Chi Ning O'Young, a Director of the Company had personal interests in share options to subscribe for 3,000,000 shares in the Company at an exercise price of HK\$1.80 per share, exercisable from 8th October, 1998 to 7th October, 2001.

(ii) *The Company's subsidiary's option scheme*

New China Homes, Ltd. ("NCH") has adopted a 1999 Stock Option and Restricted Stock Purchase Plan (the "Option Plan"). It is intended that options to purchase an aggregate of 600,000 common shares in NCH ("NCH Shares") will be granted under Option Plan. The Option Plan is administered by the compensation committee of the board of NCH. The compensation committee has complete discretion to determine which eligible individuals are to receive option grants, the number of shares subject to each such grant, the status of any granted option as either an incentive stock option or a non-statutory option, the vesting schedule to be in effect for the option grant and the maximum term of which any granted option is to remain outstanding. Each option granted under the Option Plan will have a maximum term of ten years, subject to earlier termination following the optionee's cessation of service with NCH. No options were granted under the Option Plan since their adoption.

(iii) *Shares in associated corporations*

As at 30th September, 2000, the interests of Directors in the share capital of the Company's associated corporations were as follows:

Name of Director	Name of associated corporation	Number of ordinary shares held
Deacon Te Ken Chiu	Far East Technology International Limited	110,926,800 (<i>Note 1</i>)
Ching Lan Ju Chiu	Far East Technology International Limited	6,110,000
David Chiu	Oi Tak Enterprises Limited	250,000
David Chiu	Libran Star (M) Sdn. Bhd.	125,000
Dennis Chiu	Far East Technology International Limited	47,010,200 (<i>Note 2</i>)
Daniel Tat Jung Chiu	Far East Technology International Limited	41,400,000 (<i>Note 2</i>)

Notes

1. Includes 6,110,000 shares held by Madam Ching Lan Ju Chiu, the spouse of Mr. Deacon Te Ken Chiu.
2. Includes 30,400,000 shares held by Cape York Investments Limited, a company beneficially owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu.

Save as disclosed above, none of the Directors or Chief Executives, nor their associates, had any interest in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the Directors or Chief Executives, nor their spouses or children under 18 years of age, had any right to subscribe for the securities of the Company, or had exercised any such right during the period as recorded in the register required to be kept under section 29 of the SDI Ordinance or otherwise notified to the listed issuer and the Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of certain Directors, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no person as having an interest of 10% or more in the issued capital of the Company as at 30th September, 2000.

PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES

During the period under review, the Company and its subsidiaries have not purchased, sold or redeemed any of the securities in the Company.

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 period ended 30th September, 2000, 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.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2000

		Six months ended	
		30/9/2000	30/9/1999
		(unaudited)	(unaudited)
	NOTES	HK\$'000	HK\$'000
Turnover		393,440	377,635
Cost of sales		(273,650)	(279,857)
Gross profit		119,790	97,778
Other revenue		10,832	11,028
Selling and distribution costs		(1,014)	(3,287)
Administrative expenses	3	(73,483)	(45,645)
Other operating expenses		(1,749)	(655)
Unrealised (losses) gains on investments in securities		(8,750)	1,335
Profit from operations		45,626	60,554
Share of results of associates		9,746	1,299
Finance costs		(20,854)	(24,086)
Profit before taxation		34,518	37,767
Taxation	4	(8,601)	(6,933)
Profit before minority interests		25,917	30,834
Minority interests		(3,264)	(586)
Net profit for the period		22,653	30,248
Dividends	5	Nil	Nil
Earnings per share			
– Basic	6	2.4 cents	3.3 cents

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30TH SEPTEMBER, 2000

		30/9/2000 (unaudited) HK\$'000	31/3/2000 HK\$'000
	NOTES		
Non-current assets			
Investment properties	7	1,135,359	1,149,118
Property, plant and equipment	7	372,701	377,708
Properties under development	7	400,283	385,999
Interests in associates		441,745	446,907
Interest in a jointly controlled entity		83,990	60,990
Investments in securities		113,748	136,736
Amount due from an investee company		57,655	57,655
Other assets		14,815	14,815
Long-term loans receivable		5,147	4,985
Deposits for acquisition of properties	13	91,256	91,256
Deposit for acquisition of an investment		8,875	8,875
Amount due from a minority shareholder		563	563
Amounts due from associates		142,870	144,995
Pledged bank deposits		11,689	43,351
		2,880,696	2,923,953
Current assets			
Completed properties for sale		36,958	40,354
Properties under development for sale		421,333	342,894
Trade and other receivables	8	110,926	138,155
Deposits and prepayments		142,836	102,246
Long-term loans receivable		956	19,282
Loans receivables		—	26,993
Investments in securities		47	56
Inventories		23,265	30,413
Amounts due from associates		64,552	62,358
Pledged bank deposits		14,358	17,795
Bank balances and cash		64,004	121,612
		879,235	902,158

CONDENSED CONSOLIDATED BALANCE SHEET *(continued)*

AS AT 30TH SEPTEMBER, 2000

	NOTES	30/9/2000 (unaudited) HK\$'000	31/3/2000 HK\$'000
Current liabilities			
Trade and other payables	9	123,019	144,606
Accruals		62,288	55,139
Customers' deposits received		27,176	35,902
Obligations under hire purchase contracts		279	496
Bank and other borrowings		239,972	229,163
Amounts due to parties related to directors		2,229	4,182
Amounts due to associates		131,323	138,551
Taxation payable		33,167	32,130
Dividends payable		18,783	18,783
		638,236	658,952
Net current assets		240,999	243,206
		3,121,695	3,167,159
Capital and reserves			
Share capital	10	93,915	93,915
Share premium and reserves		2,337,275	2,342,530
		2,431,190	2,436,445
Minority interest		75,082	71,445
Non-current liabilities			
Bank and other borrowings		469,644	458,978
Deferred taxation		4,285	4,613
Obligations under hire purchase contracts		145	162
Amounts due to associates		121,589	175,756
Amount due to a minority shareholder		19,760	19,760
		615,423	659,269
		3,121,695	3,167,159

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2000

	Six months ended 30/9/2000 (unaudited) HK\$'000
Net cash outflow from operating activities	(71,491)
Returns on investment and servicing of finance	
Interest received	5,436
Interest paid	(20,604)
Net cash outflow form returns on investments and servicing of finance	(15,168)
Tax paid	(7,695)
Investing activities	
Purchase of investment properties	(2,766)
Purchase of properties and other assets	(18,790)
Proceeds from disposal of properties and other assets	2,665
Investment in a jointly controlled entity	(23,000)
Repayment by long-term loans receivable	45,158
Decrease in pledged bank deposits	35,235
Net cash inflow from investing activities	38,502
Net cash outflow before Financing carried forward	(55,852)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(continued)

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2000

	Six months ended 30/9/2000 (unaudited) HK\$'000
Net cash outflow before financing brought forward	(55,852)
Financing	
New loans raised	52,775
Repayments of loans	(45,429)
Repayments to associates	(36,919)
Repayments of capital element of hire purchase contracts	(233)
Net cash outflow from financing	(29,806)
Decrease in cash and cash equivalents	(85,658)
Cash and cash equivalents at 1 April	98,074
Effect of foreign exchange rate changes	2,895
Cash and cash equivalent at 30th September	15,311
Analysis of the balances of cash and cash equivalents	
Bank balances and cash	64,004
Bank overdraft	(48,693)
	15,311

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2000

	Six months ended 30/9/2000 (unaudited) HK\$'000
Revaluation decrease on investment in securities held by the Group	(14,369)
Exchange differences arising on translation of financial statements denominated in currencies other than Hong Kong dollars	(1,855)
Share of associates' exchange differences arising on translation of financial statements denominated in currencies other than Hong Kong dollars	<u>(11,684)</u>
Net losses not recognised in the income statement	(27,908)
Net profit for the period	<u>22,653</u>
Total recognised gains and losses	<u><u>(5,255)</u></u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting policies

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

The interim financial report has been prepared in accordance with the Statement of Standard Accounting Practice No. 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants (“SSAP 25”), except that comparative figures are not presented, for the statement of recognised gains and losses and the cash flow statement to be included in the interim financial report relating to accounting period ended 30th September, 2000. Such departures from SSAP 25 are permitted under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Save as disclosed above, the condensed financial statements have been prepared in accordance with SSAP 25. The accounting policies adopted are consistent with those followed in the Group’s annual financial statements for the year ended 31st March, 2000.

Under SSAP 24, investments in securities are now classified as held-to maturity (carried at amortised cost less provision for irrecoverable amounts), trading securities (carried at fair value, with valuation movements dealt with in the income statement) and other securities (carried at fair value, with valuation movements dealt with in equity). In prior years, the Group’s investments were classified either as long-term (carried at cost less provision for permanent diminution in value) or short-term (carried at the lower of cost and market value). The accounting treatment specified by SSAP 24 has been applied retrospectively. The results of the prior interim reporting period for the six months ended 30th September, 1999 previously reported has not been adjusted for the above adoption and is restated resulting in an increase in profit in prior interim period of HK\$1,335,000. Comparative amounts have been restated to reflect this change in accounting policy.

2. Segment information

	Turnover		Contribution to results from ordinary activities	
	Six months ended		Six months ended	
	30/9/2000 (unaudited) HK\$'000	30/9/1999 (unaudited) HK\$'000	30/9/2000 (unaudited) HK\$'000	30/9/1999 (unaudited) HK\$'000
<i>By principal activity:</i>				
Continuing operations:				
Property investment and development	325,966	299,836	94,949	84,867
Loan interest income and commitment fee	9,053	758	3,148	0
Manufacture of boiler products	32,219	33,105	3,552	3,297
Hotel operation	26,202	23,502	18,141	3,652
	<u>393,440</u>	<u>357,201</u>	<u>119,790</u>	<u>91,816</u>
Discontinued operation:				
Cement manufacturing	0	20,434	0	5,962
	<u>393,440</u>	<u>377,635</u>	<u>119,790</u>	<u>97,778</u>
Other revenue			10,832	11,028
Selling and distribution costs			(1,014)	(3,287)
Administrative expenses			(73,483)	(45,645)
Other operating expenses			(1,749)	(655)
Unrealised (losses) gains on investments in securities			(8,750)	1,335
Profit from operations			<u>45,626</u>	<u>60,554</u>

	Turnover		Contribution to results from ordinary activities before taxation	
	Six months ended		Six months ended	
	30/9/2000	30/9/1999	30/9/2000	30/9/1999
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>By geographical market:</i>				
Hong Kong	30,261	99,710	26,386	43,643
Other regions in the People's Republic of China ("PRC")	138,558	168,505	24,306	33,013
Malaysia	60,321	22,128	29,728	4,125
United States of America	11,586	16,035	5,286	2,626
Australia	149,260	68,019	32,877	13,577
Singapore	3,084	3,238	1,656	794
Others	370	0	(449)	0
	<u>393,440</u>	<u>377,635</u>	<u>119,790</u>	<u>97,778</u>
Other revenue			10,832	11,028
Selling and distribution costs			(1,014)	(3,287)
Administrative expenses			(73,483)	(45,645)
Other operating expenses			(1,749)	(655)
Unrealised (losses) gains on investments in securities			(8,750)	1,335
Profit from operations			<u>45,626</u>	<u>60,554</u>

3. Depreciation

During the period, depreciation of HK\$5 million (six months ended 30th September, 1999: HK\$4 million) was charged in respect of the Group's property, plant and equipment.

4. Taxation

	Six months ended	
	30/9/2000	30/9/1999
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	(8)	960
Other regions in the PRC	3,128	4,094
Other jurisdictions	4,095	(532)
	<u>7,215</u>	<u>4,522</u>
Deferred taxation		
Other regions in the PRC	515	1,406
Taxation attributable to the Company and its subsidiaries	7,730	5,928
Share of taxation attributable to associates	871	1,005
	<u>8,601</u>	<u>6,933</u>

5. Dividends

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30th September, 2000 (six months ended 30th September, 1999: Nil).

6. Earnings per share

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$22,653,000 (six months ended 30th September, 1999: HK\$30,248,000) and on the weighted average number of 939,147,635 (six months ended 30th September, 1999: 924,699,367) shares in issue during the period.

No diluted earnings per share has been presented because the exercise prices of the Company's share options and warrants were higher than the average market price for shares for the six months ended 30th September, 1999 and 2000.

7. Additions to investment properties and property, plant and equipment

During the period, the Group spent approximately HK\$3 million (for the year ended 31st March, 2000: HK\$9 million) on renovation of the investment properties.

In addition, the Group spent approximately HK\$14 million (for the year ended 31st March, 2000: HK\$249 million) on the stages of construction works of the development properties and HK\$3 million (for the year ended 31st March, 2000: HK\$9 million) on additions to manufacturing plant in the PRC, in order to upgrade its manufacturing capabilities.

8. Trade and other receivables

The Group allows an average credit period of 60 days to its trade customers.

The following is an aged analysis of accounts receivables at the reporting date:

	30/9/2000 (unaudited) HK\$'000	31/3/2000 HK\$'000
0 – 60 days	43,484	42,915
61 – 90 days	28,549	22,387
>90 days	38,893	72,853
	<u>110,926</u>	<u>138,155</u>

9. Trade and other payables

The following is an aged analysis of accounts payables at the reporting date:

	30/9/2000 (unaudited) HK\$'000	31/3/2000 HK\$'000
0 – 60 days	18,433	30,702
61 – 90 days	10,921	28,969
>90 days	93,665	84,935
	<u>123,019</u>	<u>144,606</u>

10. Share capital

There were no movements in the share capital of the Company in the current interim reporting period.

During the prior interim reporting period, the Company issued and allotted a total of 13,008,279 shares at par, the details are:

	No. of shares at HK\$0.10 each
Issued pursuant to share dividend scheme for 1999 final dividend	13,008,253
Exercise of warrant subscription rights	26
	<u>13,008,279</u>

11. Contingencies and commitments

(i) Contingencies

At the reporting date, contingent liabilities of the Group were as follows:

	30/9/2000 (unaudited) HK\$'000	31/3/2000 HK\$'000
(a) Guarantees issued to secure banking and other facilities made available to		
– third parties	11,000	11,000
– an investee company	<u>44,672</u>	<u>44,672</u>
(b) The Group has pre-sold part of the real estate development project in Shanghai, the PRC and has accrued for accounting purposes the full amount of provisional foreign enterprises income tax on the deemed profits arising from the pre-sale pursuant to the relevant tax regulations. The Group, however, has not made instalment payments in respect of the provisional tax liability because it has informally agreed with the relevant tax authority to allow the instalments to be delayed until the projects completed. Were the Group to be assessed at the daily rate of 0.2% on the balance due, as of 30th September, 2000 the potential delinquent charge would be approximately HK\$19 million (31/03/2000: HK\$13 million).		
(c) The Group has given guarantee in respect of mortgage loans provided to the home buyers of a property development project in Shanghai, the PRC. At 30th September, 2000, the total amount of mortgages outstanding which are subject to these guarantees was HK\$78 million (31/03/2000: HK\$71 million).		

- (d) The Group had entered into an agreement with the underwriters for the purpose of listing of its subsidiary, New China Homes, Ltd (“NCH”) in NASDAQ Stock Market in the United States of America (the “USA”). Pursuant to the said agreement, the Group have agreed that 25% of NCH shares holding by the Group will be cancelled if the net income of NCH is less than US\$10 million in the first one-year period commencing on the first day of the month following the closing date of the public offer of the NCH shares in the USA; and if the net income of NCH is less than US\$20 million in the next following one-year period. There was no share of NCH being cancelled under this undertaking during the period.

(ii) *Capital commitments*

- (a) At the reporting date, the Group had so far as not provided for financial statement, contracted commitments as follows:
 - (i) property development expenditure of approximately HK\$306 million (31/03/2000: HK\$234 million); and
 - (ii) acquisition of properties in Thailand of approximately HK\$270 million (31/03/2000: HK\$270 million).
- (b) At the reporting date, the Group had authorised but not contracted for additional expenditure of a property development project in Shanghai, the PRC of approximately HK\$211 million (31/03/2000: HK\$204 million).

12. Pledge of assets

- (a) The Group’s properties and bank deposits with an aggregate net book value of approximately HK\$1,357 million (31/3/2000: HK\$1,337 million) together with properties of associates and a third party were mortgaged and pledged to the Group’s bankers and loan creditors to secure banking and loan facilities granted to the Group and its associates to the extent of approximately HK\$849 million (31/3/2000: HK\$861 million) and HK\$205 million (31/3/2000: HK\$205 million) respectively.
- (b) The Group has entered into agreements with certain banks in respect of mortgage loans provided to house buyers of property development project in Shanghai, the PRC. In accordance with those agreements, the Group deposits either 10% of the consideration of the properties sold and financed under the mortgage loan or between 10% and 20% of the amount of financing provided as a guarantee for settlement of the mortgage instalments. Should mortgagors fail to pay mortgage instalment the bank can draw down the deposits up to the amount of mortgage instalment not paid during the period from the mortgage drawdown to the date of releasing such guarantees. The guarantees will be released when property title deeds are passed to the bank as security for the respective mortgage loans. At the reporting date, deposit of HK\$4 million (31/3/2000: HK\$5 million) was placed with banks to guarantee the above agreements.

13. Significant event

In respect of the Group’s deposit of HK\$91,256,000 for acquisition of properties in Thailand, details of which were set out in note 43 of the Group’s annual report for the year ended 31st March, 2000, the parties are under negotiation to restructure the project in Thailand.