

UNAUDITED INTERIM RESULTS

The Board of Directors (the “Directors”) of Zhong Hua International Holdings Limited (the “Company”) is pleased to announce that the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June, 2001 (the “Interim Results”), together with the comparative figures for the corresponding period in 2000 as follows:

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」）截至二零零一年六月三十日止六個月之未經審核綜合業績（「中期業績」），連同二零零零年同期之比較數字如下：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2001	2000
		二零零一年	二零零零年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
TURNOVER	營業額	129,339	57,280
Cost of sales	銷售成本	(67,185)	(25,737)
Gross profit	毛利	62,154	31,543
Other revenue	其他收益	16,734	749
Selling and distribution costs	銷售及經銷費用	(7,613)	(3,886)
Administrative expenses	行政開支	(16,273)	(15,023)
Other operating expenses	其他經營開支	-	(95)
PROFIT FROM OPERATING ACTIVITIES	經營溢利	55,002	13,288
Finance costs	財務費用	(1,315)	(8)
PROFIT BEFORE TAX	除稅前溢利	53,687	13,280
Tax	稅項	(15,610)	(5,657)
PROFIT BEFORE MINORITY INTERESTS	未計少數股東權益前溢利	38,077	7,623
Minority interests	少數股東權益	(75)	3
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務純利	38,002	7,626
Interim dividend per share	每股中期股息	0.2 cent 仙	0.8 cent 仙
EARNINGS PER SHARE - BASIC	每股盈利 - 基本	1.28 cents 仙	0.26 cent 仙

Notes
附註

**CONSOLIDATED STATEMENT OF
RECOGNISED GAINS AND LOSSES**

綜合經確認損益賬

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2001	2000
		二零零一年	二零零零年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Realisation of reserve on partial release of investment properties	出售部份投資物業而變現之儲備	(9,334)	-
Exchange differences on translation of the financial statements of foreign entities	換算海外附屬公司財務報表之滙兌調整	(399)	1,178
Net gains/(losses) not recognised in the profit and loss account	未計入損益賬之收益／(虧損)淨額	(9,733)	1,178
Net profit for the period attributable to shareholders	本期股東應佔純利	38,002	7,626
Total recognised gains and losses	經確認損益總額	28,269	8,804

CONSOLIDATED BALANCE SHEET 綜合資產負債表

		31 December 2000 二零零零年 十二月 三十一日	
		30 June 2001 二零零一年 六月三十日 (Unaudited) (未經審核)	(Audited, restated) (經審核及 重列)
		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	9,855	11,197
Investment properties	投資物業	416,821	445,600
Properties under development	發展中物業	60,588	60,588
Trade receivables	貿易應收款項	36,096	35,501
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	158,572	158,775
Interests in associates	於聯營公司之權益	6,088	-
Goodwill	商譽	325,828	-
		1,013,848	711,661
CURRENT ASSETS	流動資產		
Properties under development	發展中物業	314,919	258,965
Completed properties for sale	待售已落成物業	103,940	103,940
Trade receivables	貿易應收款項	93,798	134,769
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	202,781	175,732
Cash and bank balances	現金及銀行結存	54,278	8,491
		769,716	681,897

CONSOLIDATED BALANCE SHEET 綜合資產負債表 (續)
 (Con't)

		31 December 2000 二零零零年 十二月 三十一日 (Audited, restated) (經審核及 重列)	
		30 June 2001 二零零一年 六月三十日 (Unaudited) (未經審核)	HK\$'000 千港元
		Notes 附註	HK\$'000 千港元
CURRENT LIABILITIES	流動負債		
Trade payables	貿易應付款項	9	(131,894)
Tax payable	應付稅項		(151,661)
Other payables and accruals	其他應付款項及 應計負債		(145,484)
Interest-bearing bank loans and borrowings	計息銀行貸款及 借貸		(154,344)
			<u>(583,383)</u>
NET CURRENT ASSETS	流動資產淨額		<u>186,333</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減 流動負債		<u>1,200,181</u>
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank loans and borrowings	計息銀行貸款及 借貸		(35,785)
Minority interests	少數股東權益		(304,196)
			<u>860,200</u>
CAPITAL AND RESERVES	資本及儲備		
Issued capital	已發行股本		59,600
Reserves	儲備	10	787,488
Proposed dividend	擬派股息		13,112
			<u>860,200</u>
			<u>831,931</u>

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

		For the six months ended 30 June 2001 截至二零零一年 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	49,516
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	投資回報及 融資費用	(5,783)
INVESTING ACTIVITIES	投資業務	2,093
NET CASH INFLOW BEFORE FINANCE ACTIVITIES	未計融資活動前 現金流入淨額	45,826
FINANCING ACTIVITIES	融資活動	2,795
INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金 等值項目增加	48,621
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初之現金及 現金等值項目	5,662
Effect of foreign exchange rate changes, net	外幣匯率變動 之影響淨值	(5)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終之現金及 現金等值項目	54,278
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	51,433
Fixed term deposits with maturity within three months	三個月內到期之 定期存款	2,845
		54,278

1. ACCOUNTING POLICIES

The unaudited interim financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants except that the comparative amounts for the consolidated Cash Flow Statement have not been presented as the Company has taken advantage of the transitional provision set out in the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The accounting policies and basis of preparation used in the preparation of the interim financial statements are the same as those used in the Group’s audited financial statements for the year ended 31 December 2000, except in relation to SSAP 9 (revised) “Events after the Balance Sheet Date” and SSAP 30 “Business Combinations”.

Following the adoption of SSAP 9 (revised), whereby dividends proposed after the balance sheet date should not be recognised as a liability at the balance sheet date, the final dividend proposed for the year ended 31 December 2000 of HK\$7,152,000, classified as a current liability at 31 December 2000, has been reclassified and shown as the shareholders’ equity. There is no impact on the profit and loss account as a result of this change.

The principal impact of adopting SSAP 30 is the disclosure of goodwill as an asset in the balance sheet and the amortisation of this goodwill over its estimated useful life to the profit and loss account.

1. 會計政策

未經審核財務報表乃根據香港會計師公會頒佈之香港會計實務準則（「會計實務準則」）第25條「中期財務申報」而編製。惟由於本公司引用香港聯合交易所有限公司主板上市規則（「上市規則」）所載之過渡性條文，因此並無呈列綜合現金流量表之比較金額。除了有關會計實務準則第9條（修訂本）「結賬日後事項」及第30條「企業合併」外，本中期財務報表所採用之會計政策及編製基準與編製二零零零年十二月三十一日止年度已審核財務報表相同。

因採用會計實務準則第9條（修訂本），於結算日後擬派之股息不能於結算日列為流動負債，因此，於二零零零年十二月三十一日列為流動負債之擬派末期股息為數7,152,000港元已重新分類並列於股東權益中。此改變對損益賬並無任何影響。

採用會計實務準則第30條之主要影響為將商譽披露為資產負債表內之資產並將此商譽按其預計可使用年期在損益表內攤銷。

2. SEGMENTAL INFORMATION

2. 分類資料

An analysis of the Group's turnover and contribution to profit before tax by operating activity is as follows:

本集團按經營業務劃分之營業額及除稅前溢利所作貢獻之分析如下：

		Turnover 營業額		Contribution to profit before tax 除稅前溢利貢獻	
		For the six months ended 30 June, 截至六月三十日 止六個月		For the six months ended 30 June, 截至六月三十日 止六個月	
		2001	2000	2001	2000
		(Unaudited) (未經審核)		(Unaudited) (未經審核)	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
By operating activity:	按經營業務劃分：				
Sale and pre-sale of properties	銷售及預售物業	127,523	54,917	60,338	29,180
Property investment	物業投資	1,816	2,363	1,816	2,363
		129,339	57,280	62,154	31,543
Other revenue:	其他收益：				
Sale and pre-sale of properties	銷售及預售物業			530	738
Property investment	物業投資			452	11
Investment holding	投資控股			15,752	-
				16,734	749
Expenses:	開支：				
Selling and distribution costs:	銷售及經銷費用：				
Sale and pre-sale of properties	銷售及預售物業			(7,613)	(3,886)
Administrative expenses:	行政開支：				
Sale and pre-sale of properties	銷售及預售物業			(15,626)	(14,542)
Property investment	物業投資			(647)	(481)
				(16,273)	(15,023)
Other operating expenses:	其他經營開支：				
Sale and pre-sale of properties	銷售及預售物業			-	(95)
				-	(95)
Finance costs:	財務費用：				
Sale and pre-sale of properties	銷售及預售物業			(1,143)	(8)
Property investment	物業投資			(172)	-
				(1,315)	(8)
Profit before tax	除稅前溢利			53,687	13,280

2. SEGMENTAL INFORMATION (Con't)

The Group's turnover and contribution to profit before tax are principally derived from operations in Mainland China and accordingly, an analysis of such activities by geographical area of operations is not shown.

3. PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities is arrived after charging/(crediting) the following items:

2. 分類資料 (續)

由於本集團之營業額及除稅前溢利貢獻主要來自中國大陸之業務，故此並無呈列以經營業務地區劃分之分析。

3. 經營溢利

經營溢利乃經扣除／(計入)下列各項：

		For the six months ended 30 June 截至六月三十日 止六個月	
		2001 二零零一年 (Unaudited) (未經審核) HK\$'000 千港元	2000 二零零零年 (Unaudited) (未經審核) HK\$'000 千港元
Cost of inventories sold	已售存貨成本	67,185	25,737
Depreciation	折舊	1,558	910
Interest income	利息收入	(31)	(274)
Gain on disposal of subsidiaries	出售附屬公司收益	<u>(15,752)</u>	<u>—</u>

4. FINANCE COSTS

4. 財務費用

		For the six months ended 30 June 截至六月三十日 止六個月	
		2001 二零零一年 (Unaudited) (未經審核) HK\$'000 千港元	2000 二零零零年 (Unaudited) (未經審核) HK\$'000 千港元
Interest expenses 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	5,815	6,401
Less: Interest capitalised	減：撥充資本之利息	<u>(4,500)</u>	<u>(6,393)</u>
		<u>1,315</u>	<u>8</u>

5. TAX

The Company and its subsidiaries in Mainland China,
other than Hong Kong
本公司及其於中國大陸之附屬公司
(不包括香港)

Mainland China tax has been calculated on the taxable income of subsidiaries operating in Mainland China at the applicable rates. No provision for deferred tax has been made as the Directors consider that a liability is not expected to crystallise in the foreseeable future.

6. INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend of HK0.2 cent per share for the six months ended 30 June 2001 (after subdivision of shares on 9 August 2001) to the shareholders whose names appear on the Register of Members of the Company on Wednesday, 21 November 2001.

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders of HK\$38,002,000 (2000: HK\$7,626,000) and the weighted average number of 2,980,016,725 shares (2000: 2,980,016,725 shares) in issue during the period under review. The weighted average number of shares outstanding for the six months ended 30 June 2001 and 2000 has been retrospectively adjusted for the effect of the subdivision of shares with effect from 9 August 2001. Diluted earnings per share for the six months ended 30 June 2001 and 2000 has not been calculated as no diluting events existed during these period.

5. 稅項

**For the six months
ended 30 June
截至六月三十日
止六個月**

2001 二零零一年 (Unaudited) (未經審核) HK\$'000 千港元	2000 二零零零年 (Unaudited) (未經審核) HK\$'000 千港元
15,610	5,657

中國大陸稅項乃按於中國大陸營運之附屬公司之應課稅收入以適用稅率計算。由於董事認為負債不會於可見將來變現，故未作出遞延稅項撥備。

6. 中期股息

董事議決向於二零零一年十一月二十一日(星期三)名列本公司股東名冊之股東派發截至二零零一年六月三十日止六個月之中期股息每股0.2港仙(於二零零一年八月九日股份拆細後)。

7. 每股盈利

每股基本盈利乃按股東應佔純利38,002,000港元(二零零零年:7,626,000港元)及回顧期內已發行加權平均股數2,980,016,725股(二零零零年:2,980,016,725股)計算。截至二零零一年及二零零零年六月三十日止六個月之已發行股份加權平均數已作出追溯調整,以反映二零零一年八月九日起生效之股份拆細。由於有關期間內並無出現有攤薄影響的事項,因此並無計算截至二零零一年及二零零零年六月三十日止六個月之每股攤薄盈利。

8. TRADE RECEIVABLES

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

8. 貿易應收款項

本集團貿易應收款項於結算日之賬齡分析如下：

		30 June 2001		31 December 2000	
		二零零一年		二零零零年	
		六月三十日		十二月三十一日	
		(Unaudited)		(Audited)	
		(未經審核)		(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	9,632	7	23,432	13
More than 6 months to within 1 year	超過6個月至1年內	16,335	11	8,709	5
More than 1 year to within 2 years	超過1年至2年內	8,988	6	29,183	16
More than 2 years to within 3 years	超過2年至3年內	26,391	18	20,138	10
Over 3 years	超過3年	45,381	31	29,317	16
Not due at balance sheet date	於結算日仍未到期	37,903	27	74,227	40
		144,630	100	185,006	100
Provisions for doubtful debts	呆賬撥備	(14,736)		(14,736)	
		129,894		170,270	
Portion classified as current assets	列為流動資產之部份	(93,798)		(134,769)	
Non-current assets	非流動資產	36,096		35,501	

8. TRADE RECEIVABLES (Con't)

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.

The Building ownership certificate is held by the Group until the contracted amount and related expenses of the property have been fully settled.

9. 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
More than 6 months to within 1 year	超過6個月至1年內
More than 1 year to within 2 years	超過1年至2年內
More than 2 years to within 3 years	超過2年至3年內
Over 3 years	超過3年

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

8. 貿易應收款項 (續)

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計算。

樓宇房產權證將由本集團持有，直至收購價及有關物業之開支已全數償還為止。

9. 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 2001 二零零一年 六月三十日 (Unaudited) (未經審核)		31 December 2000 二零零零年 十二月三十一日 (Audited) (經審核)	
HK\$'000 千港元	Percentage 百分比	HK\$'000 千港元	Percentage 百分比
39,941	30	7,893	8
7,884	6	2,095	2
1,985	1	23,258	22
21,870	17	16,204	16
60,214	46	55,434	52
131,894	100	104,884	100

本集團貿易應付款項之賬齡分析根據貨物或服務提供日起計算。

10. RESERVES
10. 儲備

		Investment				Retained profits	Total
		Share premium account	Contributed surplus	properties revaluation reserve	Exchange fluctuation reserve		
		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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2001 (Audited)	於二零零一年一月一日 (經審核)	220,002	86,218	217,712	9,592	231,655	765,179
Exchange adjustment on translation of overseas subsidiaries	換算海外附屬公司之滙兌調整	-	-	-	(399)	-	(399)
Realisation of reserve on partial release of investment properties	出售部份投資物業而變現之儲備	-	-	(9,334)	-	-	(9,334)
Profit for the period	期內溢利	-	-	-	-	38,002	38,002
Proposed interim dividends	擬派之中期股息	-	(5,960)	-	-	-	(5,960)
At 30 June 2001 (Unaudited)	於二零零一年六月三十日 (未經審核)	220,002	80,258	208,378	9,193	269,657	787,488

11. CONTINGENT LIABILITIES
11. 或然負債

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

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 2001	31 December 2000
	二零零一年六月三十日	二零零零年十二月三十一日
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
	HK\$'000	HK\$'000
	千港元	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		
	330,932	242,383

12. PLEDGE OF ASSETS

The Group's bank loans and borrowings were secured by certain of the Group's investment properties, properties under development and completed properties for sale.

12. 資產抵押

本集團銀行貸款及借貸乃以本集團若干投資物業、發展中物業及已落成待售之物業作抵押。

13. COMMITMENTS

(a) Capital commitments

13. 承擔

(a) 資本承擔

		Group	
		本集團	
		30 June	31 December
		2001	2000
		二零零一年	二零零零年
		六月三十日	十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Capital commitments in respect of property development projects:	有關物業發展項目之資本承擔：		
Contracted, but not provided for	已訂約但未撥備	<u>163,073</u>	<u>197,350</u>
		163,073	197,350
Capital commitments in respect of capital contributions to a jointly-controlled entity:	向一間共同控制機構注資之資本承擔：		
Contracted, but not provided for	已訂約但未撥備	<u>—</u>	<u>132,090</u>
		163,073	329,440

13. COMMITMENTS (Con't)

13. 承擔 (續)

(b) Commitments under operating leases

(b) 經營租約承擔

		Group 本集團	
		30 June 2001 二零零一年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2000 二零零零年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Annual commitments payable under non-cancellable operating leases in respect of land and buildings expiring:	有關土地及樓宇而於以下年期屆滿之不可撤銷經營租約每年應付之承擔:		
Within one year	一年內	-	720
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	<u>6,497</u>	<u>4,963</u>
		<u>6,497</u>	<u>5,683</u>

14. RELATED PARTY TRANSACTIONS

14. 關連人士交易

During the period under review, the Group had the following transactions with certain companies in which the Directors have beneficial interests:

本集團於回顧期內與董事擁有權益之若干公司進行下列交易:

- (a) On 30 May 2000, Gold Coast Department Store Company Limited and Powerex Investment Limited entered into a tenancy agreement (the "2000 Agreement") relating to the lease of a portion of the commercial podium of Phase 1 of Haizhu Peninsula Garden, Guangzhou, Mainland China with a total gross floor area of approximately 4,000 square metres at a monthly base rental of approximately HK\$249,000 (approximately RMB265,000) and a maximum monthly turnover-based rental of approximately HK\$421,000 (approximately RMB450,000).

- (a) 於二零零零年五月三十日,廣州黃金海岸百貨有限公司與健力投資有限公司就租用位於中國廣州建築面積約4,000平方米之海珠半島花園第一期商業平台之一部份訂立租賃協議(「二零零零年協議」);每月基本租金約249,000港元(約人民幣265,000元),另加最高約421,000港元(約人民幣450,000元)之營業額租金。

14. RELATED PARTY TRANSACTIONS*(Con't)*

The 2000 Agreement commenced on 1 June 2000 for a term for one year. The aggregate rental for the period from 1 January 2001 to 30 May 2001 totalled HK\$1,245,000 (approximately RMB1,325,000) and has been fully settled in accordance with the terms of the 2000 Agreement.

- (b) On 1 September 2000, Ho Pak Hung, a Director of the Company, entered into an agreement with the Company to indemnify it from any losses arising from certain prepayments and investment deposits totalling approximately HK\$155,000,000 together with interest thereon whenever applicable. The full amount which totalled approximately HK\$158,000,000, has been included in the consolidated balance sheet as at 30 June 2001. The indemnity covers the period from 1 September 2000 to 31 December 2001.

On 24 April 2001, Ho Tsam Hung, Ho Kam Hung, both of whom are Directors of the Company, entered into an agreement with the Company to indemnify it from any losses arising from a receivable of approximately HK\$26,000,000, as included in the consolidated balance sheet as at 30 June 2001. The indemnity covers the period from 24 April 2001 to 31 December 2001.

14. 關連人士交易 (續)

二零零零年協議自二零零零年六月一日起為期一年，而二零零一年一月一日至二零零一年五月三十日期間之租金總額合共為1,245,000港元(約人民幣1,325,000元)已根據二零零零年協議之條款全部付清。

- (b) 於二零零零年九月一日，本公司董事何伯雄與本公司訂立協議，共約155,000,000港元之若干預付款項及投資按金所產生之虧損及有關利息作出賠償保證，而在二零零一年六月三十日之入賬數額合共約158,000,000港元。上述賠償保證有效期由二零零零年九月一日至二零零一年十二月三十一日。

二零零一年四月二十四日，本公司董事何湛雄及何鑑雄與本公司訂立協議，就於二零零一年六月三十日綜合資產負債表所載約26,000,000港元之應收款項所產生之任何虧損作賠償保證。上述賠償保證有效期由二零零一年四月二十四日至二零零一年十二月三十一日。

REVIEW OF RESULTS

The Directors are pleased to report that the Group recorded a turnover of HK\$129,339,000, net profit from ordinary activities attributable to shareholders of HK\$38,002,000, and basic earnings per share of HK\$0.0128 for the six months ended 30 June 2001 (the "Period"). These figures represented increases of approximately 126%, 398% and 392% respectively when compared to a turnover of HK\$57,280,000, net profit from ordinary activities attributable to shareholders of HK\$7,626,000 and basic earnings per share of HK\$0.0026 (adjusted upon subdivision of shares on 9 August 2001) for the six months ended 30 June 2000. The interim results of the Group are unaudited but have been reviewed by the Audit Committee of the Company.

BUSINESS REVIEW

The Group's turnover mainly comprised pre-sale of Phase III of the residential units currently under construction from Haizhu Peninsula Garden in Guangzhou, the People's Republic of China (the "PRC") and sale of completed units from Gang Yu Square in Chongqing, the PRC, together with rental income generated from the commercial podiums located in Guangzhou and Chongqing.

業績回顧

董事會欣然公佈，本集團於截至二零零一年六月三十日止六個月錄得營業額129,339,000港元，股東應佔日常業務純利38,002,000港元及每股基本盈利為0.0128港元，比較截至二零零零年六月三十日止六個月之營業額57,280,000港元、股東應佔日常業務純利7,626,000港元及每股基本盈利0.0026港元（就二零零一年八月九日股份拆細作出調整），分別上升約126%、398%及392%。本集團之中期業績未經審核，惟已由本公司之審核委員會審閱。

業務回顧

本集團之營業額主要包括預售中國廣州海珠半島花園施工中之第三期住宅單位及出售中國重慶港渝廣場已落成之單位，以及廣州及重慶之商業平台租金收入。

BUSINESS REVIEW (Con't)

The improved results of the Group for the Period were mainly attributable to the satisfactory pre-sale of Phase III of Haizhu Peninsula Garden, and the gain arising from the disposal of subsidiaries during the Period. The construction of the superstructure of Phase III of Haizhu Peninsula Garden has been completed and it is anticipated that the residential units in Phase III will be available in move-in condition in early 2002. It is expected that the turnover for the Group will increase significantly upon completion of Phase III of Haizhu Peninsula Garden.

The Group has diversified into other business areas with a view to widen its business scope and to provide the Group with additional source of revenue. Apart from the core business of property development and investment, the Group is also engaged in the businesses of the sale of online English learning courses to corporate customers in the region of the PRC including Hong Kong and Macau, and the provision of exclusive technology consultancy services to 廣州市飛躍信息技術開發有限公司 (“Fei Yue”) for the setting up and development of call centers and the operation of the phone banking payment gateway in Guangdong Province excluding Shenzhen.

業務回顧 (續)

期內本集團之業績有所改善，主要由於預售海珠半島花園第三期單位之成績理想及期內出售附屬公司產生盈利。海珠半島花園第三期上層結構工程已完成興建，預期第三期住宅單位將於二零零二年初可供入住。預期本集團營業額可望於海珠半島花園第三期竣工後大幅上升。

為了擴大業務範圍及提供額外之收入來源，本集團已將業務多元化。除物業發展及投資之核心業務外，本集團亦向中國地區（包括香港及澳門）之公司客戶銷售網上英語學習課程，以及向廣州市飛躍信息技術開發有限公司（「飛躍」）提供獨家技術顧問服務，在廣東省（深圳除外）設立及開發傳呼中心及經營電話銀行繳費網關。

BUSINESS REVIEW (Con't)

Upon the PRC's pending entry to the World Trade Organisation and the successful bid for the 2008 Olympic Games in Beijing, it is anticipated that the demand for English learning courses will increase dramatically and it is expected that the sale of online English learning courses will generate additional revenue for the Group in near future.

With Fei Yue successfully obtained service contracts with major telecommunication and public utility companies to serve as their phone bill payment service provider in Guangdong Province excluding Shenzhen and with Fei Yue's exclusive cooperation agreement with GNET (廣東省銀行卡網絡服務中心) for the operation and management of a phone payment system for a term of fifteen years commencing from 28 September 2000, technology consultancy fee income arising from services rendered to Fei Yue is expected to increase in near future.

業務回顧 (續)

中國加入世界貿易組織在即，加上北京成功申辦二零零八年奧運，預料英語學習課程之需求將大大增加，預期網上英語學習課程之銷售將為本集團在不久將來帶來額外收入。

隨著飛躍成功與主要電訊及公用設備公司訂立服務合約，作為該等公司在廣東省（深圳除外）之電話繳費服務供應商；以及與廣東省銀行卡網絡服務中心訂立一項由二零零零年九月二十八日起生效，為期十五年之獨家合作協議，以經營及管理一個電話繳費系統；預期在該等服務中向飛躍所收取之技術顧問費用將在不久將來有所增長。

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally financed its businesses with internally generated cash flows and banking facilities. Cash and bank balances for the Group as at 30 June 2001 amounted to HK\$54,278,000 (31 December 2000: HK\$8,491,000) while interest-bearing bank loans and borrowings for the Group amounted to HK\$190,129,000 (31 December 2000: HK\$187,334,000). The cash position of the Group had improved as a result of the satisfactory sale and pre-sale of the Group's properties during the Period.

The Group's gearing ratio as at 30 June 2001 was 0.35 (31 December 2000: 0.41), calculated based on the Group's total debts of HK\$619,168,000 (31 December 2000: HK\$561,627,000) over total assets of HK\$1,783,564,000 (31 December 2000: HK\$1,393,558,000).

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.

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。於二零零一年六月三十日，本集團之現金及銀行結存達54,278,000港元（二零零零年十二月三十一日：8,491,000港元），而計息之銀行貸款及借款為190,129,000港元（二零零零年十二月三十一日：187,334,000港元）。由於期內本集團物業銷售及預售情況理想，故本集團現金狀況已有所改善。

本集團於二零零一年六月三十日之資本負債比率為0.35（二零零零年十二月三十一日：0.41），乃按本集團債務總額619,168,000港元（二零零零年十二月三十一日：561,627,000港元）除以資產總值1,783,564,000港元（二零零零年十二月三十一日：1,393,558,000港元）計算。

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，而該等貨幣匯率在期內相對穩定，故本集團所面對之外幣匯率波動不大。

FINANCIAL REVIEW (Con't)**Pledge of Assets**

The Group had utilized bank loan facilities amounting to approximately HK\$190,129,000 (31 December 2000: HK\$187,334,000) as at 30 June 2001. The bank loans were secured by certain of the Group's investment properties, properties under development and completed properties for sales.

Contingent Liabilities

As at 30 June 2001, guarantees given for mortgage loans granted by banks to certain purchasers of the Group's properties amounted to HK\$330,932,000 (31 December 2000: HK\$242,383,000).

Material Acquisitions and Disposals of Subsidiaries

On 6 April 2001, the Group entered into a conditional agreement for the acquisition of 100% equity interest in I-Action Agents Limited for a consideration of HK\$320,000,000. The principal activities of I-Action Agents Limited and its subsidiaries are engaged in the provision of technology consultancy services for the operation of the phone banking payment gateway. The consideration was to be satisfied by the disposal of the Group's 49% interest in Ample Dragon Limited. The principal activities of Ample Dragon Limited and its subsidiaries are mainly engaged in property development and investment in the PRC.

財務回顧 (續)**資產抵押**

於二零零一年六月三十日，本集團經已使用約190,129,000港元之銀行信貸額（二零零零年十二月三十一日：187,334,000港元）。銀行貸款以本集團若干投資物業、發展中物業及已落成待售之物業作為抵押。

或然負債

於二零零一年六月三十日，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330,932,000港元（二零零零年十二月三十一日：242,383,000港元）。

附屬公司之重大收購及出售

於二零零一年四月六日，本集團簽訂有條件協議收購I-Action Agents Limited全部股權，代價為320,000,000港元。I-Action Agents Limited及其附屬公司之主要業務為就電話銀行繳費網關之運作提供技術顧問服務。該代價乃透過出售本集團所持Ample Dragon Limited 49%權益支付。Ample Dragon Limited及其附屬公司之主要業務乃於中國發展及投資物業。

FINANCIAL REVIEW (Con't)**Material Acquisitions and Disposals of Subsidiaries (Con't)**

Details of the acquisition and the disposal of subsidiaries have been set out in a circular of the Company dated 31 May 2001. The transaction was completed on 28 June 2001 and the profit arising from the disposal had been reflected in the Group's profit and loss account for the Period.

Employee and Remuneration Policy

The Group employed approximately 92 full time staff in Hong Kong and the PRC as at 30 June 2001. 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 the PRC, 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.

POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date on 9 August 2001, the Company had passed an ordinary resolution to approve that every share of HK\$0.10 in the issued and unissued share of the Company was subdivided into five shares of HK\$0.02 each. The authorised share capital of the Company remained unchanged at HK\$120,000,000 divided into 6,000,000,000 shares of HK\$0.02 each after the subdivision.

Details of the subdivision of shares have been set out in a circular of the Company dated 17 July 2001.

財務回顧 (續)**附屬公司之重大收購及出售 (續)**

收購及出售附屬公司之詳情已載列於本公司日期為二零零一年五月三十一日之通函內，交易已於二零零一年六月二十八日完成，而出售所得溢利已於本集團期內之損益表內反映。

僱員及薪酬政策

於二零零一年六月三十日，本集團在香港及中國共僱用約92名全職僱員。本集團根據員工之工作性質及市場趨勢釐定酬金，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。就國內而言，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。

結算日後事項

於二零零一年八月九日結算日後，本公司已通過一項普通決議案，批准將本公司每股面值0.10港元之已發行及未發行股份拆細為五股每股面值0.02港元之股份。進行拆細後，本公司之法定股本仍舊為120,000,000港元，分為6,000,000,000股每股面值0.02港元之股份。

拆細股份之詳情已載列於本公司日期為二零零一年七月十七日之通函內。

PROSPECTS

The Directors consider that the property development and investment business in the PRC will continue to remain as one of the Group's principal activities. With the expected completion of Phase III of Haizhu Peninsula Garden and the improved sentiment with regard to property market in the PRC, the Directors are optimistic that revenue generating from the property development and investment business will continue to increase for year 2001.

With the Group gaining access into the vast consumer services market in the PRC via the provision of online English learning services and phone banking payment services, the Directors expect that the Group will benefit significantly from the economic growth in the PRC upon pending entry to the World Trade Organisation and the 2008 Beijing Olympic Games.

The Directors will continue to evaluate attractive investment opportunities with aims to maximize shareholders' return.

展望

董事認為本集團在中國之物業發展及投資業務將繼續作為本集團之主要業務。隨著預期海珠半島花園第三期竣工，以及中國房地產市場氣氛有所改善，董事深信，二零零一年物業發展及投資業務所得收益將會繼續增長。

透過提供英語學習課程及電話銀行繳費服務，本集團得以涉足中國龐大之消費服務市場，董事預期憑藉中國即將加入世貿以及二零零八年舉行之北京奧運會，本集團將可大大受惠於其經濟增長。

董事將繼續評估具吸引力之投資商機，以盡量擴大股東回報。

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2001, the interests of the Directors in the equity or debt securities of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") which require notification to the Company pursuant to Section 28 of the SDI Ordinance (including interests which any such Director is deemed or taken to have under Section 31 of or Part I of the Schedule to the SDI Ordinance) or which are required to be entered in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

董事所擁有之本公司及各聯營公司證券權益

於二零零一年六月三十日，各董事擁有根據證券（披露權益）條例（「披露權益條例」）第28條須知會本公司之本公司及各聯營公司（定義見公開權益條例）之股本或債務證券權益（包括董事按披露權益條例第31條或附表第一部份被視為或當作擁有之權益），或須載入本公司根據披露權益條例第29條所設置登記冊之權益，或根據上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益如下：

The Company	本公司	
Name of Directors	董事姓名	Corporate interests 公司權益
Ho Tsam Hung	何湛雄	54,000,000 (Note 1) (附註1)
Ho Pak Hung	何伯雄	54,000,000 (Note 2) (附註2)
Ho Kam Hung	何鑑雄	54,000,000 (Note 3) (附註3)
Lam Ling Tak	林令德	19,147,676 (Note 4) (附註4)

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS
(Con't)

董事所擁有之本公司及各聯營公司證券權益 (續)

Notes:

- (1) 54,000,000 Shares are beneficially held by Ho Tsam Hung through Morgan Estate Assets Limited.
- (2) 54,000,000 Shares are beneficially held by Ho Pak Hung through On Tai Profits Limited.
- (3) 54,000,000 Shares are beneficially held by Ho Kam Hung through Morcambe Corporation.
- (4) 19,147,676 Shares are beneficially held by Lam Ling Tak through Tasman Treasure Profits Limited.

附註:

- (1) 54,000,000股由何湛雄透過Morgan Estate Assets Limited實益持有。
- (2) 54,000,000股由何伯雄透過On Tai Profits Limited實益持有。
- (3) 54,000,000股由何鑑雄透過Morcambe Corporation實益持有。
- (4) 19,147,676股由林令德透過Tasman Treasure Profits Limited實益持有。

Shares in associated corporations of the Company

本公司聯營公司股份

At 30 June 2001, the following Directors of the Company had interests in the number of non-voting deferred shares in the Company's subsidiaries:

於二零零一年六月三十日,下列董事所擁有之本公司附屬公司無投票權遞延股份數目如下:

- (a) Interests in the number of non-voting deferred shares of Powerex Investment Limited.

- (a) 所擁有之健力投資有限公司無投票權遞延股份數目

Name of Director	董事姓名	Personal Interests 個人權益	Corporate Interests 公司權益	Total 合計
Ho Tsam Hung	何湛雄	91	9,997*	10,088
Ho Pak Hung	何伯雄	91	9,997*	10,088
Ho Kam Hung	何鑑雄	91	9,997*	10,088
Lam Ling Tak	林令德	27	9,997*	10,024

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS
(Con't)

董事所擁有之本公司及各聯營公司證券權益 (續)

Shares in associated corporations of the Company (Con't)

本公司聯營公司股份 (續)

* These non-voting deferred shares were held by Smart Hero Investment Limited, whose entire issued share capital of 10,000,000 shares were held by Shun Fat (Holdings) Limited ("Shun Fat") as to 9,986,667 shares. Ho Tsam Hung as to 3,334 shares and Ho Pak Hung, Ho Kam Hung and Lam Ling Tak as to 3,333 shares each. Shun Fat was held equally by Ho Tsam Hung, Ho Pak Hung, Ho Kam Hung and Lam Ling Tak.

* 該等無投票權遞延股乃由超霸投資有限公司持有，而其全部已發行股份10,000,000股仍分別由Shun Fat (Holdings) Limited (「Shun Fat」) 持有9,986,667股、何湛雄持有3,334股及何伯雄、何鑑雄與林令德各持有3,333股。Shun Fat之股權由何湛雄、何伯雄、何鑑雄及林令德平均持有。

(b) Interests in the number of non-voting deferred shares of Dongxum Real Estate Development Company Limited

(b) 所擁有之東迅房地產發展有限公司無投票權遞延股份數目

Name of Director	董事姓名	Personal Interests 個人權益	Total 合計
Ho Tsam Hung	何湛雄	91	91
Ho Pak Hung	何伯雄	91	91
Ho Kam Hung	何鑑雄	91	91
Lam Ling Tak	林令德	27	27

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

(c) 所擁有之超霸控股有限公司無投票權遞延股份數目

Name of Director	董事姓名	Personal Interests 個人權益	Total 合計
Ho Tsam Hung	何湛雄	91	91
Ho Pak Hung	何伯雄	91	91
Ho Kam Hung	何鑑雄	91	91
Lam Ling Tak	林令德	27	27

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS
(Con't)

董事所擁有之本公司及各聯營公司證券權益 (續)

Shares in associated corporations of the Company (Con't)

本公司聯營公司股份 (續)

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

(d) 所擁有之中華置業地產投資有限公司無投票權遞延股份數目

Name of Director	董事姓名	Personal Interests 個人權益	Total 合計
Ho Tsam Hung	何湛雄	91	91
Ho Pak Hung	何伯雄	91	91
Ho Kam Hung	何鑑雄	91	91
Lam Ling Tak	林令德	27	27

Save as disclosed above and other than certain nominee shares of subsidiaries of the Company held by the Directors in trust for the Company, as at 30 June 2001, none of the Directors or their respective associates had or were deemed to have any interests in the securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) which require notification pursuant to Section 28 of the SDI Ordinance (including interests which any such Director is deemed or taken to have under Section 31 of or Part I of the Schedule to the SDI Ordinance) or which are required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register maintained by the Company or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者及董事以信託形式代本公司持有之本公司附屬公司若干代理人股份外，於二零零一年六月三十日，各董事或彼等各自之聯繫人士並無擁有或並無被視為擁有任何根據披露權益條例第28條須知會之本公司或各聯營公司（定義見披露權益條例）之證券權益（包括董事按披露權益條例第31條或附表第一部份被視為或當作擁有之權益），或根據公開權益條例第29條須載入本公司按該條例規定所設置登記冊之權益，或根據標準守則須知會本公司及聯交所之權益。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2001, as far as the Directors were aware, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance showed that the following shareholder other than the Directors whose interests are disclosed above, had an interest of 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries:

**Name
名稱****Number of Shares held
所持股份數目**

High Rank Enterprises Limited

228,000,000

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the period under review. The Company appointed three non-executive directors of the Company as members of the Audit Committee. It was established on 11 May 1999 to assist the Board of Directors in fulfilling its duties by reviewing and supervising the Company's financial reporting process and internal controls.

主要股東

於二零零一年六月三十日，就董事會所知，按照本公司根據披露權益條例第16(1)條設置之主要股東名冊所示，下列股東（權益已於上文披露之董事除外）擁有附帶權利可在任何情況下於本公司或各附屬公司之股東大會上投票之任何類別股份權益10%或以上：

最佳應用守則

董事會認為，本公司於回顧期內一直遵守香港聯合交易所有限公司之上市規則附錄14所載之最佳應用守則。本公司已委任三位非執行董事出任審核委員會成員。審核委員會乃於一九九九年五月十一日成立，負責協助董事會檢討及監管本公司之財務申報過程及內部控制。

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

During the six months ended 30 June 2001, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of the members of the Company will be temporarily closed from Tuesday, 20 November 2001 to Wednesday, 21 November 2001, both days inclusive, during which period no transfer of shares can be effected. In order to qualify for the interim dividend, all completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tengis Limited at 4/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong for registration not later than 4:00 p.m. on Monday, 19 November 2001.

On behalf of the Board
Ho Tsam Hung
Chairman

Hong Kong, 17 September 2001

買賣或贖回本公司上市證券

於截至二零零一年六月三十日止六個月，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。

暫停辦理股份過戶登記手續

本公司將於二零零一年十一月二十日星期二至二零零一年十一月二十一日星期三(包括首尾兩天)，暫停辦理股份轉讓登記手續，在此期間股份不能轉讓。如欲享有中期股息者，須於二零零一年十一月十九日星期一下午四時前將填妥之轉讓表格連同有關股票送交本公司在香港之股份過戶登記處登捷時有限公司辦理登記手續，地址為香港中環夏慤道十號和記大廈四樓。

董事會代表
何湛雄
主席

香港，二零零一年九月十七日