



INTERIM REPORT **2003**
二零零三年中期報告



CHINA EVERBRIGHT TECHNOLOGY LIMITED

中國光大科技有限公司

(Incorporated in Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

BOARD OF DIRECTORS**Executive Directors**

WANG Mingquan (*Chairman*)
WANG Shaolan (*Chief Executive Officer*)
ZANG Qiutao

Independent Non-executive Directors

Werner Max Michael MAKOWSKI
YANG Zheng Qing

COMPANY SECRETARY

LOU Sai Tong

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hongkong and Shanghai Banking
Corporation Limited
Jian Sing Bank Limited
Citic Ka Wah Bank Limited
China Merchants Bank Company Limited

SHARE REGISTRARS

The RHB Trust Co. Ltd
P.O. Box 1787
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George Town
Grand Cayman
Cayman Islands

董事會**執行董事**

王明權 (主席)
王少蘭 (行政總裁)
臧秋濤

獨立非執行董事

麥高祺
楊正清

公司秘書

盧世東

核數師

安永會計師事務所

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

建新銀行有限公司
中信嘉華銀行有限公司
招商銀行股份有限公司

股份過戶登記處

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Cayman Islands

BRANCH REGISTRARS

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RESULTS

During the first half of 2003, the United States and the United Kingdom waged the war against Iraq, and the consequential global economic fluctuation further dragged the recovery. In addition, the impact of the unexpected large-scale outbreak of Severe Acute Respiratory Syndrome (“SARS”) during the period was not only on social and economic aspects, but also on psychological aspect to a large extent. Several sectors, e.g., tourism, entertainment, retail and trading, suffered the most, and with the combined effects of all these factors, the Hong Kong and external economy went from bad to worse. Having struggled through the hardship, China Everbright Technology Limited (the “Company”) and its subsidiaries (collectively the “Group”) recorded an unaudited consolidated turnover approximately HK\$98.55 million for the six months ended 30 June 2003, representing an increase of HK\$45.59 million against the figure of the corresponding period last year. The increase was mainly attributable to the consolidation of the turnover of Everbright Timber Industry (Shenzhen) Company Limited after its acquisition. The unaudited profit for the period was approximately HK\$10.36 million, representing an increase of 23.81% from HK\$8.37 million for the corresponding period last year. The increase was mainly attributable to the transfer of the Property by China Everbright Group Limited (“CEG”) to the Group with the value of approximately HK\$12 million as the settlement of a debt previously written off and the compensation of approximately HK\$8 million receivable for the settlement of the claim from G.Yean Group Limited (“G Yean”).

業績

二零零三年上半年，美國、英國對伊拉克發動戰爭，進一步引起全球經濟之波動，並影響世界經濟復蘇的步伐。此外，期內出現了突如其來的大規模爆發的嚴重急性呼吸系統綜合症（「非典型肺炎」）疫情，其影響不僅涉及社會、經濟各個層面，而且造成很大的心理影響。心理影響又對一些經濟領域，如旅遊、娛樂、零售、貿易等方面發生影響。這便使原已持續低迷的香港及外圍經濟環境更加雪上加霜，但中國光大科技有限公司（「本公司」）及其附屬公司（統稱「本集團」）憑著不懈努力，於截至二零零三年六月三十日止六個月，錄得未經審核綜合營業額約港幣98,551,000元，較去年同期上升港幣45,593,000元，主要是合併了收購光大木材工業（深圳）有限公司之營業額。本期間未經審核盈利約為港幣10,358,000元，較去年同期之港幣8,366,000元上升23.81%，主要歸因於期內中國光大（集團）總公司（「光大總公司」）轉讓予本集團之物業價值約港幣12,000,000元及就向資源集團有限公司（「資源集團」）索償獲賠償應收款項約港幣8,000,000元。

REVIEW OF OPERATIONS

Business Review

(1) *Watches and Timepieces Business*

During the period, Everbright EB Brand Limited (“EB Brand”), a wholly-owned subsidiary of the Group, generated less income when compared with the corresponding period last year. The adverse effect of SARS was the contributor to the decrease. Suffering from the combined effects of a weak consumer sentiment brought along by SARS, the call-off of large scale celebrations by the Government of the People’s Republic of China (the “PRC”) and the holiday arrangement of “1 May” Labour Day, and the consequential cancelling of most of the travel tours, the retail sector was severely affected. Furthermore, the outdoor sales activities of the sales team of EB watches and timepieces and the buyers’ factory visits for contract negotiation also came to a halt. As such, the sales of watches and timepieces dropped substantially and given the unfavourable market conditions and the price war between the competitors, EB watches and timepieces found itself unable to stay clear of the fierce price competition. As a result, the profit margin of sales dramatically decreased. Furthermore, delegations from infected areas including the PRC and Hong Kong were locked out of the World Watch, Clock & Jewellery Show held in Basel. The orders for watches and timepieces for the year therefore decreased 20 to 30 per cent, and the profit and results for the period, even for the whole year, were adversely affected.

營運回顧

業務回顧

(1) 鐘錶業務

本集團之全資附屬公司光大依波系列品牌有限公司（「依波品牌」）於本期之收入較去年同期有所下滑，主要是由於非典型肺炎帶來的不良影響所造成的。首先，非典型肺炎影響市民消費意慾，加上中華人民共和國（「中國」）政府禁止大型慶典活動，取消「五•一」勞動節長假期的安排及大部分旅遊團亦相繼取消，使零售業大受打擊，同時，依波鐘錶之銷售團隊不能出外進行銷售活動，買家亦未能到廠參觀及洽談合約，導致鐘錶銷售量大幅下跌。然後，由於市場不景氣，同業紛紛掀起價格大戰，依波鐘錶被迫捲入價格競爭的惡性循環，利潤大幅下降。此外，來自疫區的代表團如：中國、香港等無法參加在巴塞爾舉行的世界珠寶及鐘錶展覽會，使鐘錶業全年定單因此減少兩至三成，影響本期甚至全年的利潤及業績。

(2) Timber Business

The Group acquired another subsidiary, namely Everbright Timber Industry (Shenzhen) Company Limited (“Everbright Timber”), by the end of March this year. During the period, Everbright Timber imported timber from New Zealand and the exchange rate of New Zealand Dollars substantially went up. As a result of which, shipment cost increased and the production costs of plywood, the major product of the company, consequently surged. Besides, following the PRC’s accession to the World Trade Organisation, large amounts of imported timber from various regions flooded the PRC market. In addition, the outbreak of SARS during the period hindered sales staff from travelling to other regions whilst clients were unable to make visits, significantly affecting sales of its products. Furthermore, many domestic manufacturers sold off their inventory at low prices in order to capture the market. To maintain its market share, Everbright Timber had to reduce the selling prices of its products accordingly. The above factors led to the increase in raw materials costs for the products of Everbright Timber, while selling prices and sales volumes of products have both dropped, and the profitability of the company was materially affected as a result.

(2) 木材業務

本集團於本年三月底收購的另一附屬公司光大木材工業(深圳)有限公司(「光大木材」), 本期內, 由於光大木材的原木從新西蘭進口, 但當地貨幣匯率大幅上升及海運成本的增加, 從而導致公司主產品膠合板生產成本相應大幅增加。另一方面, 中國加入世界貿易組織後各地進口木材的大量湧入, 衝擊著內地市場, 再加上期間爆發之非典型肺炎疫情, 銷售員不能外出及客戶不能到訪的情況下, 使產品銷售嚴重受挫。此外, 國內眾多廠家為搶佔市場而大量低價傾銷庫存產品使光大木材不得不相應降低產品售價以保持市場佔有率。以上種種因素造成光大木材產品在原材料成本上升的情況下, 產品售價及銷售量都下跌, 嚴重影響公司盈利能力。

(3) *Property Development Project*

In March 2003, the Group entered into a sale & purchase agreement to acquire Beijing Jing Guan Property Development Co. Ltd. (“Beijing Jing Guan”), the principal business of which is the property development project in East Part of E Area, Taiyangong New District, Taiyangong North Street, Chao Yang Qu, Beijing, the PRC (“Property Development Project”). The Company focused on dealing with the procedures of changing the establishment of Beijing Jing Guan into a foreign investment enterprise. However, the outbreak of SARS in May and June in Beijing delayed the completion of the procedures. As at 19 August 2003, the approval from Beijing City Planning Committee in relation to the said matter has been obtained. While the relevant approval has yet to be obtained from Ministry of Commerce and Beijing City Administration of Industry & Commerce, we expect that the completion of the remaining procedures will be smooth. Upon the completion of the procedures, Beijing Jing Guan will further develop its Property Development Project.

(4) *Property Investment*

The Group continues to rent a portion of its head office to China Everbright Holdings Company Limited (“CEH”), a major shareholder of the Company, contributing a steady rental income to the Group. Furthermore, due to the default rental payment of the tenant of the factory complex in Dongguan County, Guangdong Province, the PRC, the lease was terminated in February 2003. The property was subsequently leased to another tenant.

(3) 房地產開發項目

本集團於二零零三年三月簽訂一份買賣協議收購北京京冠房地產開發有限公司（「北京京冠」），該公司主要發展中國北京市太陽宮北街太陽宮新區E區東部之房產開發項目（「房產開發項目」）。本公司主要辦理將北京京冠變更設立為外商投資企業之相關手續。但由於北京於本期五、六月份爆發非典型肺炎疫情，在一定程度上影響辦理有關手續之進度。截至二零零三年八月十九日，該事宜已取得北京市發展計劃委員會的立項審批，目前還需辦理外經貿和北京市工商行政管理局的相關手續，我們預計餘下手續將按計劃順利進行，待相關手續辦理完畢後，北京京冠將進一步積極發展房產項目。

(4) 物業投資

本集團現時持有之香港的主要辦事處的部分樓面繼續租予本公司之主要股東，中國光大集團有限公司（「光大集團」），為本集團錄得穩定的租金收入。此外，本集團擁有於中國廣東省東莞市的工廠綜合大樓，由於前租客出現嚴重的拖欠租金的情況，本集團已於二零零三年二月與該租客終止有關租賃合約，並於其後將該物業租予另一新租客。

In 2000, the Group advanced a total of approximately HK\$16 million (the "Advance") to a former subsidiary of the Company. The Advance was supported by a corporate guarantee provided by CEG, a related company of the Company. In view of the uncertainties of the recoverability, the directors considered that it was more appropriate to fully write off the Advance during the year ended 31 December 2000. On 15 April 2003, an agreement was entered into between the Group and CEG pursuant to which CEG agreed to compensate the Group of the Advance by means of transfer of certain of CEG's properties located in the PRC to the Group. During the period, CEG has transferred to the Group a property located in 2nd Lower Ground Floor, Jin Hua Building, Yan He South Road, Luohu District, Shenzhen, the PRC ("Jin Hua Building") at an agreed value of approximately HK\$12 million arrived at with reference to the valuation report issued by Chung, Chan and Associates, an independent firm of professionally qualified valuers, valued on an open market basis. Jin Hua Building is held by the Group for property investment purpose.

於二零零零年，本集團向一前附屬公司墊支合共約港幣16,000,000元（「墊款」），該筆墊款乃以本公司一家關連公司光大總公司作出之公司擔保作抵押。基於未能確定收回之可能性，董事認為，於截至二零零零年十二月三十一日止年度全數撇銷墊款為較適當做法。於二零零三年四月十五日，本集團與光大總公司訂立協議，據此，光大總公司同意透過向本集團轉讓其位於中國之若干物業，就墊款向本集團作出彌償。本期間，光大總公司已向本集團轉讓一項位於中國深圳市羅湖區沿河南路錦花大廈底層中層（「錦花大廈」）之物業，協定價值約為港幣12,060,000元，乃經參考獨立專業合資格估值公司衡量行按公開市場基準發出之估值報告釐定。錦花大廈現由本集團持有作物業投資用途。

(5) *Communication Products Distribution*

Given that the loss-making China Everbright Telecom-Land Network Limited ("Telecom-Land Network"), an associate of the Company, has shown no improvement in the past few years, during the period, the Group has been negotiating with GMAI-Asia. Com Inc. ("GMAI-Asia"), the major shareholder of Telecom-Land Network, in respect of the disposal of its 35% equity interest to GMAI-Asia, so as to further optimise the assets of the Group.

(5) 通訊產品分銷業務

鑒於中國光大通訊天地網絡系統有限公司（「通訊天地網絡」），本公司之聯營公司，過去數年一直未扭轉虧損的局面，本集團為了進一步優化集團的資產，本期間繼續與通訊天地網絡之主要股東邁寧亞聯有限公司（「邁寧亞聯」）商討，希望出售所持之35%控股權予邁寧亞聯。

SUBSEQUENT EVENT

On 25 June 1997, the Company entered into a sale and purchase agreement (the “Goodnice Agreement”) with G Yean, an independent third party, pursuant to which the Group agreed to acquire the entire issued share capital of Goodnice International Limited (“Goodnice”), a company incorporated in Hong Kong, at a consideration of HK\$140 million, satisfied by the issuance of 107,692,308 ordinary shares of the Company at HK\$1.30 per share.

Goodnice was engaged in the manufacturing of computer keyboards. Pursuant to the Goodnice Agreement, G Yean provided profit guarantees in respect of Goodnice to the Company for the three years ended 31 December 1999. Following a shortfall of the net profit after tax of Goodnice compared to the guaranteed amount for the year ended 31 December 1999, the Company claimed from G Yean a total of approximately HK\$50 million (the “Claim”) and initiated legal proceedings against G Yean for the Claim in 2001.

Subsequent to the balance sheet date, a settlement deed (the “Deed”) was entered into between the Company and G Yean in respect of the settlement of the Claim and a total of HK\$8.2 million was received from G Yean as full settlement of the Claim. The Directors believe that the settlement is fair and reasonable.

結算日後事項

於一九九七年六月二十五日，本公司與獨立第三方資源集團訂立買賣協議（「德麗協議」），據此，本集團同意收購於香港註冊成立之德麗國際有限公司（「德麗」）全部已發行股本，代價為港幣140,000,000元，按每股港幣1.30元發行107,692,308股本公司普通股以支付代價。

德麗從事電腦鍵盤製造業務。根據德麗協議，資源集團就德麗截至一九九九年十二月三十一日止三個年度向本公司作出盈利保證。由於德麗截至一九九九年十二月三十一日止年度之除稅後純利低於保證金額，本公司向資源集團追討合共約港幣50,000,000元（「索償」），並於二零零一年向資源集團展開索償之法律程序。

於結算日後，本公司與資源集團就索償和解簽訂和解協議（「協議」），資源集團向本公司支付合共港幣8,200,000元作為索償的全數清付。董事會認為該和解方式屬公平和合理的。

FINANCIAL POSITION

As at 30 June 2003, the Group had net assets of approximately HK\$529.94 million and total cash of approximately HK\$312 million, providing the Group with sufficient working capital and a solid foundation to support the growth of its diversifying operations.

As at 30 June 2003, the Group's net gearing ratio based on total liabilities to equity was 72.53%. The Group currently has aggregate bank loans of approximately HK\$291 million. The Group's bank loans were repayable within one year secured by certain of the Group's leasehold land and buildings with carrying value of HK\$139 million and supported by the guarantees executed by CEH, a substantial shareholder of the Company.

The Group's foreign currency assets and borrowings are denominated in Renminbi or US Dollar, which are relatively stable against the Hong Kong Dollar. The impact of exchange rate fluctuations of these currencies is relatively insignificant to the Group.

PROSPECTS

During the first half of 2003, the external economy was affected by many unfavourable factors such as the war in the Middle East and the outbreak of SARS. These factors will, to a certain extent, continue to affect the operating environment in the second half of the year, and we anticipate that the operating results of the Group will be unlikely to show any signs of breakthrough. Nevertheless, the military actions of the United States and the United Kingdom have basically come to an end, and the SARS epidemic has been effectively contained in June, together with a series of measures to stimulate

財務狀況

截至二零零三年六月三十日為止，本集團的資產淨值約為港幣529,939,000元，持有之現金總額約港幣312,000,000元，為本集團提供充裕的營運資金，並為集團業務多元化發展提供堅實的基礎。

於二零零三年六月三十日，本集團之資產與負債淨比率（按總負債相對股東權益計算）為72.53%。本集團現有銀行借貸合共約港幣291,000,000元。本集團之銀行借貸須於一年內償還，乃以本集團賬面值為港幣139,000,000元之若干租賃土地及樓宇，及本公司主要股東光大集團作出之擔保作抵押。

本集團之外幣資產及借貸以人民幣或美元為單位，而該等貨幣兌港元之匯兌相當穩定。該等貨幣之匯率波動對本集團影響不大。

展望

二零零三年上半年外圍經濟受到中東戰爭、非典型肺炎疫情等許多不良因素影響，這些影響仍將在一定程度上繼續影響下半年的經營環境，我們預計下半年本集團之經營業績未必有突破。但由於美英在伊拉克的主要軍事行動已基本結束，非典型肺炎疫情亦已在六月份得到有效的控制，且中國、香港等受影響國家及地區已經採取一系列刺激經濟的措施，因此我

the economy adopted by affected countries, such as the PRC and Hong Kong, we believe that economic growth of the PRC will continue to be optimistic in the long run. The Group will continue to reduce its costs and expenditures by strengthening its internal management and implementing a target management system in its subsidiaries, and to adopt measures to strictly control all costs and expenditures, so as to minimise the effect of those unfavourable external factors.

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 30 June 2003.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2003, the Group has a headcount of around 1,800 full-time staff in Hong Kong and the PRC. Employees are remunerated according to their length of service, experience, nature of duties, performance and market environment on a fair basis, and depending on the operating results of the Group, staff may be awarded bonus according to individual performance. In addition, the Group provides medical insurance and retirement benefits to its employees as incentives and encouragement for their efforts and contributions. Directors and all employees of the Group in Hong Kong participate in the Mandatory Provident Fund Scheme. Share options to subscribe for shares of the Company may be granted to directors and full-time employees of the Group under the provisions of Chapter 17 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the conditions of the share option scheme of the Company.

們相信中國經濟發展長期向好的走勢不會改變，本集團將繼續通過加強內部管理，完善各子公司目標管理責任制，降低成本消耗以及嚴格控制各項費用支出等措施，最大限度地降低外部不利因素的影響。

或然負債

本集團於二零零三年六月三十日並無或然負債。

僱員及酬金政策

本集團於二零零三年六月三十日擁有香港及中國內地全職員工約1,800名。僱員之薪酬乃本著公平原則，依據員工的資歷、經驗、工作性質、表現及市場情況計算釐定，並視集團的經營業績及員工個人的工作表現給僱員發放獎金花紅。此外，本集團還提供醫療保險及退休福利作為對他們努力奉獻的獎勵及鼓勵。本集團在香港之董事及全體僱員亦均已加入強積金計劃。本集團的董事及全職員工可根據香港聯合交易所有限公司證券上市規則（「上市規則」）第十七條及本公司之購股權計劃之條件獲授購股權以認購本公司之股份。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 June 2003, none of the directors, supervisors, chief executives of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance, or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Divisions 7 and 8 of the Securities and Futures Ordinance or Model Code for Securities Transactions by Directors of Listed Companies. None of the directors, supervisors, chief executives of the Company, or their associates had been granted or had exercised any such rights during the six months ended 30 June 2003.

The Company adopted a share option scheme ("Share Option Scheme") on 25 May 2001 whereby directors of the Company were authorised, at their discretion, to invite employees of the Group, including executive directors of any member of the Group, to take up options to subscribe for shares not exceeding 10% of the issued share capital of the Company as at the date of approval of the Share Option Scheme. No option has been granted since the adoption of the Share Option Scheme.

Apart from the Share Option Scheme, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive or any of their spouses or children under eighteen years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

董事及主要行政人員之權益

於二零零三年六月三十日，本公司董事、監事、最高行政人員或其聯繫人等概無對本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）之任何股份、相關股份或債權證擁有根據《證券及期貨條例》第352條須予備存之登記冊所記錄之任何權益或淡倉；或根據《證券及期貨條例》第7及第8分部或《上市公司董事進行證券交易守則》須知會本公司及香港聯合交易所有限公司之任何權益或淡倉。於截至二零零三年六月三十日止六個月期間內，本公司董事、監事、最高行政人員或其聯繫人等亦無授予或行使上述權利。

本公司於二零零一年五月二十五日採納一項購股權計劃，（「購股權計劃」），藉此授權本公司董事酌情邀請本集團之僱員（包括本集團任何成員公司之執行董事）接納購股權，以便認購不超過本公司於批准購股權計劃日期已發行股本10%之股份。於採納購股權計劃後，本公司並無授出購股權。

除購股權計劃外，於本年度任何時間內，本公司或其任何附屬公司概無訂立任何安排，致使其董事、主要行政人員或任何彼等之配偶或未滿18歲之子女可透過購入本公司或任何其他法人團體之股份或債券而獲取利益。

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2003, as recorded in the register of interests and short positions in shares maintained in accordance to Section 336 of Part XV of the Securities and Futures Ordinance, the following company had an interest of 5% or more in the issued ordinary shares of the Company:

Name	Number of shares held	Percentage of total issued shares
名稱	所持股份數目	佔已發行股份總數百分比
CEH	625,393,515	40.48
光大集團	(Note) (附註)	

Note: The 625,393,515 shares are beneficially held by CEH, of which 625,369,515 shares and 24,000 shares are held by Kenco Investments Limited and Everbright Investment & Management Limited respectively, both of which are direct or indirect wholly-owned subsidiaries of CEH.

本公司股本中之主要權益

於二零零三年六月三十日，根據本公司遵照證券及期貨條例第XV部第336條所存置之股份權益及淡倉登記冊內記錄顯示下列公司持有本公司已發行普通股5%或以上之權益：

附註：光大集團實益擁有625,393,515股股份之權益。Kenco Investments Limited及光大投資管理有限公司分別持有625,369,515股及24,000股股份，該兩間公司均為光大集團之直接或間接全資附屬公司。

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 shares during the period.

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於本期間內概無購買、出售或贖回本公司任何上市股份。

AUDIT COMMITTEE

The Audit Committee comprises two Independent Non-executive Directors. This Committee acts in an advisory capacity and makes recommendations to the Board. The Committee met with the management and external auditors of the Company on 29 August 2003 to review the Group's 2003 interim report before it was tabled for the Board's approval.

審核委員會

審核委員會由兩位獨立非執行董事組成。本委員會乃以諮詢性質為董事會提供推薦意見，審核委員會成員已於二零零三年八月二十九日與管理層及本公司之外聘核數師會面，藉此在本集團二零零三年之中期報告提交予董事會批准前審閱有關業績。

CODE OF BEST PRACTICE

None of the Directors is aware of any information which would reasonably indicate that the Company is not or was not for any part of the six months ended 30 June 2003 in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that the Independent Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement in accordance with the Company's Articles of Association.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express sincere appreciation for the devoted efforts of our management and staff to the Group.

By order of the Board

Wang Shaolan

Director and Chief Executive Officer

Hong Kong, 29 August 2003

遵守最佳應用守則

各董事概不知悉有任何資料，足以合理顯示本公司於截至二零零三年六月三十日止六個月任何時間內，並無或曾經沒有遵守上市規則附錄十四所載之「最佳應用守則」，惟本公司獨立非執行董事並無指定之委任年期，而需根據本公司之公司章程細則依章告退除外。

致意

本人謹代表董事會，向本集團全心全意不懈努力之全體管理層和員工致以由衷謝意。

承董事會命

王少蘭

董事兼行政總裁

香港，二零零三年八月二十九日

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

Six months ended 30 June 2003

簡明綜合損益表

截至二零零三年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2003 二零零三年 (Unaudited) (未經審核)	2002 二零零二年 (Unaudited) (未經審核)
		HK\$'000 港幣千元	HK\$'000 港幣千元
	Notes 附註		
TURNOVER	營業額	3	98,551
Cost of sales	銷售成本		<u>(68,914)</u>
Gross profit	毛利		23,521
Other revenue and gains	其他收入及收益	3	8,827
Selling and distribution costs	銷售及分銷成本		(17,515)
Administrative expenses	行政費用		(17,131)
Other operating expenses	其他經營費用		<u>(1,534)</u>
PROFIT FROM OPERATING ACTIVITIES	經營溢利	4	2,284
Finance costs	財務費用	5	(3,464)
Write back of other receivable	其他應收賬款撥回	17(d)	12,060
Write back of provision against other receivable	撥回其他應收賬款撥備		<u>-</u>
PROFIT BEFORE TAX	除稅前溢利		10,880
Tax	稅項	6	(522)
PROFIT BEFORE MINORITY INTERESTS	未計少數股東權益前溢利		10,358
Minority interests	少數股東權益		<u>-</u>
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔一般業務純利		10,358
EARNINGS PER SHARE	每股盈利	8	
- Basic	- 基本		<u>HK0.67 cent 港仙</u>
- Diluted	- 攤薄		<u>N/A 不適用</u>

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

30 June 2003

二零零三年六月三十日

			30 June 2003 二零零三年 六月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 December 2002 二零零二年 十二月三十一日 (Audited) (經審核) HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	9		
– Investment properties	– 投資物業		65,920	53,860
– Other fixed assets	– 其他固定資產		307,662	42,161
Goodwill	商譽	17(b)	5,707	–
			379,289	96,021
Investment securities	投資證券		43,256	39,487
			422,545	135,508
CURRENT ASSETS	流動資產			
Inventories	存貨	10	108,972	39,946
Trade receivables	應收賬款	11	53,349	6,788
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		24,527	26,101
Due from a shareholder	應收一名股東欠款		–	24
Cash and cash equivalents	現金及現金等值	12	312,093	357,504
			498,941	430,363
CURRENT LIABILITIES	流動負債			
Trade payables	應付賬款	13	30,711	16,311
Other payables and accruals	其他應付款及應計費用		52,362	22,799
Due to a shareholder	應付一名股東欠款	17(c)	3,895	–
Tax payable	應付稅項		2,519	2,880
Bank loans	銀行貸款	14	291,159	–
			380,646	41,990

CONDENSED CONSOLIDATED BALANCE SHEET (continued) **簡明綜合資產負債表(續)**

30 June 2003

二零零三年六月三十日

		30 June 2003 二零零三年 六月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 December 2002 二零零二年 十二月三十一日 (Audited) (經審核) HK\$'000 港幣千元
NET CURRENT ASSETS	流動資產淨值	118,295	388,373
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	540,840	523,881
NON-CURRENT LIABILITIES	非流動負債		
Other payables	其他應付款	75	725
Due to an associate	應付一間聯營公司 欠款	3,649	3,649
		3,724	4,374
MINORITY INTERESTS	少數股東權益	7,177	257
		529,939	519,250
CAPITAL AND RESERVES	資本及儲備		
Issued capital	已發行股本	15 154,483	154,483
Reserves	儲備	16 375,456	364,767
		529,939	519,250

Approved and authorised for issue by the Board of Directors on 29 August 2003

由董事會於二零零三年八月二十九日通過及授權刊發

Wang Shaolan
Director
董事
王少蘭

Zang Qiutao
Director
董事
臧秋濤

**CONDENSED CONSOLIDATED SUMMARY
STATEMENT OF CHANGES IN EQUITY**

Six months ended 30 June 2003

簡明綜合股東權益變動報表概要

截至二零零三年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2003	2002
		二零零三年	二零零二年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Balance as at 1 January	於一月一日之結餘	519,250	516,052
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	換算香港以外附屬公司財務報表之匯兌差額	331	(24)
Net gains/(losses) not recognised in the consolidated profit and loss account	未在綜合損益表確認之收益/(虧損)淨額	331	(24)
Net profit for the period	本期間溢利淨額	10,358	8,366
Balance as at 30 June	於六月三十日之結餘	529,939	524,394

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Six months ended 30 June 2003

簡明綜合現金流量表

截至二零零三年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2003 二零零三年 (Unaudited) (未經審核) HK\$'000 港幣千元	2002 二零零二年 (Unaudited) (未經審核) HK\$'000 港幣千元
NET CASH INFLOW FROM OPERATING ACTIVITIES	經營業務之現金流入淨額	2,927	37,415
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	投資業務之現金流入/(流出)淨額	8,194	(2,443)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	融資活動之現金流出淨額	(56,532)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值之增加/(減少)淨額	(45,411)	34,972
Cash and cash equivalents at beginning of period	於期初之現金及現金等值	357,504	291,348
CASH AND CASH EQUIVALENTS AT END OF PERIOD	於期末之現金及現金等值	312,093	326,320
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值結餘之分析		
Cash and bank balances	現金及銀行結存	62,763	35,251
Time deposits with banks	在銀行之定期存款	249,330	291,069
		312,093	326,320

**NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS***30 June 2003***簡明綜合財務報表附註**

二零零三年六月三十日

**1. BASIS OF PREPARATION AND ACCOUNTING
POLICIES**

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) 2.125 “Interim financial reporting” issued by the Hong Kong Society of Accountants. The accounting policies and basis of preparation are the same as those used in the preparation of the audited financial statements for the year ended 31 December 2002 except that the Group has adopted SSAP 2.112 (revised) “Income taxes” which became effective for accounting periods commencing on or after 1 January 2003.

The adoption of the revised SSAP 2.112 has had no material impact on these condensed consolidated interim financial statements and no prior period adjustment has been made in these financial statements.

1. 編製基準及會計政策

未經審核簡明綜合中期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2.125號「中期財務報告」編製。編製中期財務報表所用之會計政策及編製基準與編製截至二零零二年十二月三十一日止年度之經審核財務報表所用者一致，惟本集團已採納會計實務準則第2.112號（經修訂）「所得稅」，並於二零零三年一月一日或之後開始之會計期間生效。

採納經修訂會計實務準則第2.112號對此等簡明綜合中期財務報表並無任何重大影響，亦毋須對此等財務報表作出任何前期調整。

2. SEGMENT INFORMATION

The Group's segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (i) the watches and timepieces segment mainly produces watches and timepieces;
- (ii) the property investment segment invests in properties in Hong Kong and in the People's Republic of China (the "PRC");
- (iii) the timber products segment mainly comprises the manufacture and sale of timber products. This business was acquired during the period ended 30 June 2003 (note 17(b)); and
- (iv) the corporate and others segment mainly comprises corporate income and expense items.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers.

2. 分類資料

本集團之分類資料乃按兩個分類形式呈報：(i)主要分類匯報基準按業務分類；及(ii)次要分類匯報基準按地區分類。

本集團經營之業務按經營業務之性質及業務提供之產品及服務個別分類及管理。本集團各業務分類均為策略性業務單位，所提供之產品及服務之風險及回報與其他業務分類不同。業務分類之詳情概述如下：

- (i) 鐘錶及時計產品業務主要生產鐘錶及時計產品；
- (ii) 物業投資業務投資位於香港及中華人民共和國（「中國」）之物業；
- (iii) 木材產品業務主要包括製造及銷售木材產品。該業務於截至二零零三年六月三十日止期間購入（附註17(b)）；及
- (iv) 公司及其他分類主要包括公司收入及開支項目。

於釐定本集團之地區分類時，收入乃按客戶所在地計入有關分類。

2. SEGMENT INFORMATION (continued)

2. 分類資料(續)

(a) Business segments

(a) 業務分類

The following table presents revenue and profit/(loss) for the Group's business segments.

下表呈列本集團按業務分類之收入及溢利／(虧損)。

		Watches and timepieces		Property investment		Timber products		Corporate and others		Consolidated	
		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
		鐘錶及時計產品		物業投資		木材產品		公司及其他		綜合	
		截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
		二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue:	分類收入:										
Sales to external customers	向外界客戶銷售	39,256	46,161	1,646	2,766	55,418	-	-	-	96,320	48,927
Interest income	利息收入	67	76	-	2	28	-	2,136	3,953	2,231	4,031
Other revenue and gains	其他收入及收益	3	3,715	14	-	566	-	8,244	3,860	8,827	7,575
Total	總計	39,326	49,952	1,660	2,768	56,012	-	10,380	7,813	107,378	60,533
Segment results	分類業績	634	4,550	(1,009)	684	171	-	2,488	21	2,284	5,255
Finance costs	財務費用									(3,464)	-
Write back of other receivable	其他應收賬款撥回									12,060	-
Write back of provision against other receivable	撥回其他應收賬款撥備									-	4,000
Profit before tax	除稅前溢利									10,880	9,255
Tax	稅項									(522)	(873)
Profit before minority interests	未計少數股東權益前溢利									10,358	8,382
Minority interests	少數股東權益									-	(16)
Net profit from ordinary activities attributable to shareholders	股東應佔一般業務純利									10,358	8,366

There were no transactions between the Group's business segments during the six months ended 30 June 2003 (2002: Nil).

截至二零零三年六月三十日止六個月期間，本集團之業務分類間並無進行任何交易(二零零二年：無)。

2. SEGMENT INFORMATION (continued)

(b) Geographical segments

The following table presents revenue regarding the Group's geographical segments.

2. 分類資料 (續)

(b) 地區分類

下表呈列本集團按地區分類之收入。

Hong Kong Six months ended 30 June 香港 截至六月三十日止六個月		Elsewhere in the PRC Six months ended 30 June 中國其他地區 截至六月三十日止六個月		Consolidated Six months ended 30 June 綜合 截至六月三十日止六個月	
2003 二零零三年 (Unaudited) (未經審核) HK\$'000 港幣千元	2002 二零零二年 (Unaudited) (未經審核) HK\$'000 港幣千元	2003 二零零三年 (Unaudited) (未經審核) HK\$'000 港幣千元	2002 二零零二年 (Unaudited) (未經審核) HK\$'000 港幣千元	2003 二零零三年 (Unaudited) (未經審核) HK\$'000 港幣千元	2002 二零零二年 (Unaudited) (未經審核) HK\$'000 港幣千元

Segment revenue:	分類收入:				
Sales to external customers	向外界客戶銷售	<u>13,074</u>	<u>1,086</u>	<u>83,246</u>	<u>47,841</u>
				<u>96,320</u>	<u>48,927</u>

3. TURNOVER, OTHER REVENUE AND GAINS

Turnover represents the sales value of goods supplied to customers, interest income and rental income.

3. 營業額、其他收入及收益

營業額乃指出售予客戶之貨品銷售額、利息收入及租金收入。

		Six months ended 30 June 截至六月三十日止六個月	
		2003 二零零三年 (Unaudited) (未經審核) HK\$'000 港幣千元	2002 二零零二年 (Unaudited) (未經審核) HK\$'000 港幣千元
Other revenue	其他收入		
Claims receivable (Note)	應收索償 (附註)	8,233	-
PRC value-added tax exempted	中國增值稅豁免	-	3,715
Investment and other income	投資及其他收入	<u>594</u>	<u>43</u>
		<u>8,827</u>	<u>3,758</u>
Gains	收益		
Net realised loss on trading and other securities	買賣及其他證券之已變現虧損淨額	-	(183)
Write back of impairment loss on other investment	其他投資減值虧損撥回	-	4,000
		<u>-</u>	<u>3,817</u>
		<u>8,827</u>	<u>7,575</u>

3. TURNOVER, OTHER REVENUE AND GAINS (continued)

Note: On 25 June 1997, the Company entered into a sale and purchase agreement (the "Goodnice Agreement") with G. Yeon Group Limited ("G Yeon"), an independent third party, pursuant to which the Group agreed to acquire the entire issued share capital of Goodnice International Limited ("Goodnice"), a company incorporated in Hong Kong, at a consideration of HK\$140 million, satisfied by the issuance of 107,692,308 ordinary shares of the Company at HK\$1.30 per share.

Goodnice was engaged in the manufacturing of computer keyboards. Pursuant to the Goodnice Agreement, G Yeon provided profit guarantees in respect of Goodnice to the Company for the three years ended 31 December 1999. Following a shortfall of the net profit after tax of Goodnice compared to the guaranteed amount for the year ended 31 December 1999, the Company claimed from G Yeon a total of approximately HK\$50 million (the "Claim") and initiated legal proceedings against G Yeon for the Claim in 2001.

Subsequent to the balance sheet date, a settlement deed (the "Deed") was entered into between the Company and G Yeon in respect of the settlement of the Claim and a total of HK\$8.2 million was received from G Yeon as full settlement of the Claim.

4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging:

Depreciation	折舊
Goodwill amortisation	商譽攤銷

3. 營業額、其他收入及收益(續)

附註：於一九九七年六月二十五日，本公司與獨立第三方資源集團有限公司(「資源集團」)訂立買賣協議(「德麗協議」)，據此，本集團同意收購於香港註冊成立之德麗國際有限公司(「德麗」)全部已發行股本，代價為港幣一億四千萬元，按每股港幣一點三零元發行107,692,308股本公司普通股以支付代價。

德麗從事電腦鍵盤製造業務。根據德麗協議，資源集團就德麗截至一九九九年十二月三十一日止三個年度向本公司作出盈利保證。由於德麗截至一九九九年十二月三十一日止年度之除稅後純利低於保證金額，本公司向資源集團追討合共約港幣五千萬元(「索償」)，並於二零零一年向資源集團展開索償之法律程序。

於結算日後，本公司與資源集團就索償和解簽訂和解協議(「協議」)，資源集團向本公司支付合共港幣八百二十萬元作為索償的全數清付。

4. 經營溢利

本集團之經營溢利已扣除下列各項：

Six months ended 30 June
截至六月三十日止六個月

2003	2002
二零零三年	二零零二年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
港幣千元	港幣千元

Depreciation	折舊	6,789	2,790
Goodwill amortisation	商譽攤銷	132	-

5. FINANCE COSTS

5. 財務費用

		Six months ended 30 June	
		截至六月三十日止六個月	
		2003	2002
		二零零三年	二零零二年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest on bank loans	銀行貸款之利息	3,464	-

6. TAX

6. 稅項

		Six months ended 30 June	
		截至六月三十日止六個月	
		2003	2002
		二零零三年	二零零二年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Hong Kong	香港	-	-
Elsewhere	其他地區	522	873
		522	873
Share of tax attributable to associates	所佔聯營公司稅項	-	-
Tax charge for the period	期內稅項開支	522	873

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2002: Nil). Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates based on existing legislation, interpretations and practices in respect thereof.

At the balance sheet date, no deferred tax asset has been recognised in respect of the tax losses carried forward as they have arisen in subsidiaries that have been loss-making for some time (31 December 2002: Nil).

由於本集團於期內並無於香港產生任何應課稅溢利，故並無就香港利得稅作出撥備（二零零二年：無）。於香港以外地區之應課稅溢利稅項乃按本集團經營業務之司法權區之現行稅率根據當地之現行法例、詮釋及慣例計算。

於結算日，由於承前稅項虧損乃源自以往錄得虧損之附屬公司，故並無就此確認任何遞延稅項資產（二零零二年十二月三十一日：無）。

7. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2003 (2002: Nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit for the period of HK\$10,358,000 (2002: HK\$8,366,000) and the weighted average of 1,544,831,000 ordinary shares (2002: 1,553,349,000 ordinary shares) in issue during the period.

A diluted earnings per share amount was not shown as there were no potential ordinary shares during the period (2002: Nil).

9. FIXED ASSETS

During the period, apart from fixed assets acquired through the acquisition of certain subsidiaries as detailed in note 17(b), the Group also acquired fixed assets amounting to approximately HK\$6.5 million (2002: HK\$3.7 million).

At the balance sheet date, the Group had an investment property (the "Dongguan Property") located in Dongguan, the PRC, with a carrying amount of HK\$19,500,000. The Group has not yet obtained the relevant title certificate for the Dongguan Property. As confirmed by the Group's PRC legal counsel, the Group is the rightful and equitable owner of the Dongguan Property.

7. 股息

董事會宣佈就截至二零零三年六月三十日止六個月不派付任何中期股息（二零零二年：無）。

8. 每股盈利

每股基本盈利乃根據本期間純利港幣10,358,000元（二零零二年：港幣8,366,000元）及於本期間已發行普通股之加權平均數1,544,831,000股（二零零二年：1,553,349,000股普通股）計算。

由於期內並無任何潛在普通股（二零零二年：無），故並無呈列每股攤薄盈利。

9. 固定資產

本期間，除根據附註17(b)所詳述有關因收購附屬公司而收購之固定資產外，本集團並購入約港幣6,500,000元（二零零二年：港幣3,700,000元）之固定資產。

於結算日，本集團位於中國東莞市之投資物業（「東莞物業」）之面值為港幣19,500,000元。本集團之東莞物業尚未取得有關擁有權證。經本集團中國法律顧問確認，本集團為東莞物業之合法權益擁有人。

10. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

10. 存貨

30 June 2003 二零零三年 六月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 December 2002 二零零二年 十二月三十一日 (Audited) (經審核) HK\$'000 港幣千元
44,170	10,085
9,466	3,807
55,336	26,054
108,972	39,946

At the balance sheet date, the Group had no inventories carried at net realisable value (31 December 2002: Nil).

於結算日，本集團並無按可變現淨值列賬之存貨（二零零二年十二月三十一日：無）。

11. TRADE RECEIVABLES

An aged analysis of trade debtors of the Group as at the balance sheet date, based on invoice date, and net of provisions, is as follows:

1 to 3 months	1至3個月
4 to 6 months	4至6個月
7 to 12 months	7至12個月
More than 1 year	1年以上

11. 應收賬款

本集團於結算日根據發票日計算之應收賬款扣除撥備後之賬齡分析如下：

30 June 2003 二零零三年 六月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 December 2002 二零零二年 十二月三十一日 (Audited) (經審核) HK\$'000 港幣千元
15,245	6,007
3,519	71
34,289	479
296	231
53,349	6,788

Trade debts are due after one month from the date of billing. Trade debtors with balances that are more than three months overdue are required to settle all outstanding balances before any further credit is granted.

應收賬款由發票日起計一個月到期。逾期三個月以上之應收賬款結餘須於結清後始可獲延續數期。

12. CASH AND CASH EQUIVALENTS

12. 現金及現金等值

		30 June 2003 二零零三年 六月三十日 (Unaudited) (未經審核) <i>HK\$'000</i> 港幣千元	31 December 2002 二零零二年 十二月三十一日 (Audited) (經審核) <i>HK\$'000</i> 港幣千元
Time deposits with banks	在銀行之定期存款	249,330	323,168
Cash and bank balances	現金及銀行結存	62,763	34,336
		312,093	357,504

At the balance sheet date, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$31,974,000 (31 December 2002: HK\$19,934,000). RMB is not freely convertible into foreign currencies. Under the Rules of the PRC on Foreign Exchange Control and Administrative Regulations on Foreign Exchange Settlements, Sales and Payments, the Group is permitted to exchange RMB for foreign currencies through banks authorised to conduct foreign exchange business.

於結算日，本集團以人民幣（「人民幣」）為單位之現金及現金等值合共約為港幣31,974,000元（二零零二年十二月三十一日：港幣19,934,000元）。人民幣不得自由兌換為其他貨幣。根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團僅可在獲授權進行外匯業務之銀行將人民幣兌換為外幣。

13. TRADE PAYABLES

13. 應付賬款

An aged analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

根據發票日計算之應付賬款於結算日之賬齡分析如下：

		30 June 2003 二零零三年 六月三十日 (Unaudited) (未經審核) <i>HK\$'000</i> 港幣千元	31 December 2002 二零零二年 十二月三十一日 (Audited) (經審核) <i>HK\$'000</i> 港幣千元
1 to 3 months	1至3個月	27,088	11,867
4 to 6 months	4至6個月	249	1,181
7 to 12 months	7至12個月	3,374	3,263
		30,711	16,311

14. BANK LOANS

The Group's bank loans were acquired through the acquisition of certain subsidiaries as detailed in note 17(b). As at the balance sheet date, the Group's bank loans were secured by certain of the Group's leasehold land and buildings with a carrying amount of HK\$139 million and supported by guarantees executed by China Everbright Holdings Company Limited ("CEH"), a substantial shareholder of the Company.

14. 銀行貸款

本集團之銀行貸款乃於附註17(b)所詳述收購附屬公司時取得。於結算日，本集團之銀行貸款乃以其面值為港幣139,000,000元之若干租賃土地與樓宇及本公司主要股東中國光大集團有限公司（「光大集團」）所作出之擔保抵押。

15. SHARE CAPITAL

15. 股本

		30 June 2003 二零零三年六月三十日 (Unaudited) (未經審核)		31 December 2002 二零零二年十二月三十一日 (Audited) (經審核)	
		No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元	No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元
Authorised:	法定:				
Ordinary shares of HK\$0.10 each	每股面值港幣0.10元 之普通股	2,000,000	200,000	2,000,000	200,000
Issued and fully paid:	已發行及悉數繳足:				
At beginning of period/year	於期/年初	1,544,831	154,483	1,553,349	155,335
Shares repurchased	已購回股份	-	-	(8,518)	(852)
At end of period/year	於期/年終	1,544,831	154,483	1,544,831	154,483

16. RESERVES

16. 儲備

		Share premium account	Goodwill arising on consolidation 綜合 賬目時所 產生之商譽	Statutory reserves 法定儲備 基金	Exchange reserve 匯兌儲備	Accumulated losses 累積虧損	Total 總額
		(Note ii) (附註ii)	(Note i) (附註i)	(Note i) (附註i)			
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2002	於二零零二年 一月一日	679,592	(15,300)	2,760	(220)	(306,115)	360,717
Exchange differences arising on consolidation of subsidiaries outside Hong Kong	綜合香港以外 地區附屬公司之 賬目時所產生之 匯兌差額	-	-	-	(24)	-	(24)
Profit for the period	本期間溢利	-	-	-	-	8,366	8,366
At 30 June 2002	於二零零二年 六月三十日	<u>679,592</u>	<u>(15,300)</u>	<u>2,760</u>	<u>(244)</u>	<u>(297,749)</u>	<u>369,059</u>
At 1 January 2003	於二零零三年 一月一日	677,882	(15,300)	4,743	147	(302,705)	364,767
Exchange differences arising on consolidation of subsidiaries outside Hong Kong	綜合香港以外 地區附屬公司之 賬目時所產生之 匯兌差額	-	-	-	331	-	331
Profit for the period	本期間溢利	-	-	-	-	10,358	10,358
At 30 June 2003	於二零零三年 六月三十日	<u>677,882</u>	<u>(15,300)</u>	<u>4,743</u>	<u>478</u>	<u>(292,347)</u>	<u>375,456</u>

Notes:

附註:

- (i) In accordance with PRC regulations, certain companies in the PRC are required to transfer part of their profits after tax to the statutory reserve fund, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies, in accordance with their articles of association. The statutory reserve fund is non-distributable and may be used either to offset against losses, or for capitalisation issues by way of paid-up capital.
- (i) 按照中國規例，若干中國公司須於作出溢利分派前，將其溢利除稅後部分轉撥至法定儲備基金。轉撥款額須由該等公司之董事會按各自之公司章程細則批准。法定儲備基金不可分派，惟可用作抵銷虧損或以繳足股本方式進行資本化發行。

16. RESERVES (continued)

(ii) Under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

17. RELATED PARTY AND CONNECTED TRANSACTIONS

In addition to those disclosed elsewhere in these interim financial statements, the Group had the following material transactions with related parties and/or connected persons during the period:

Rental income – Note (a)
Interest on bank loans – Note (e)

租金收入 – 附註(a)
銀行貸款利息 – 附註(e)

Six months ended 30 June
截至六月三十日止六個月

2003	2002
二零零三年	二零零二年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
港幣千元	港幣千元

1,086	1,086
482	-

(a) On 23 November 2001, a tenancy agreement was entered into between the Group and CEH, the substantial shareholder of the Company, under which the Group agreed to let and CEH agreed to lease a portion (with saleable area of approximately 4,586 square feet) of an investment property of the Group situated in Hong Kong at a monthly rental of HK\$185,000 (inclusive of management fee, insurance, government rent and rates) for a term of two years commencing from 28 November 2001. Details of the tenancy agreement were announced in a press announcement by the Company on 23 November 2001. The directors considered that the monthly rentals were charged by the Group with reference to the prevailing market prices.

16. 儲備 (續)

(ii) 根據開曼群島法例第二十二章公司法(一九六一年第三冊·綜合修訂本)·股份溢價賬可供分派予本公司股東·惟於緊隨建議分派股息日期後·本公司須可償還其於日常業務中到期之負債。

17. 與有關連人士之交易及關連交易

除中期財務報表披露者外·本集團於本期間與有關連人士及/或關連人士進行之重大交易如下:

(a) 於二零零一年十一月二十三日·本集團與本公司之主要股東光大集團訂立租賃協議·據此·本集團同意出租·而光大集團同意租用本集團位於香港之投資物業之部分·該部分實用面積約為4,586平方呎·月租為港幣185,000元(包括管理費·保險金·地租及差餉)·租賃年期為由二零零一年十一月二十八日起兩年·有關租賃協議之詳情載於本公司日期為二零零一年十一月二十三日之報章公佈·董事認為·本集團所收租金乃按現行市價計算。

17. RELATED PARTY AND CONNECTED TRANSACTIONS (continued)

- (b) On 21 March 2003, the Company entered into an agreement (the "CEIL Agreement") with a subsidiary of CEH, China Everbright International Limited ("CEIL"), a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited. Pursuant to the CEIL Agreement, the Company agreed to purchase and CEIL agreed to sell 100% interests in each of Tung On Assets Limited ("Tung On") and Bright Merit Investments Limited ("Bright Merit") at an aggregate cash consideration of HK\$7,000,000. Tung On and Bright Merit together held an aggregate 72.01% interest in Wellpeck International Group Limited ("Wellpeck").

On the same date, a wholly-owned subsidiary of the Company, Prime Win Profits Limited ("Prime Win"), entered into an agreement (the "JC Agreement") with Joint Cheer Investments Limited ("Joint Cheer"), an independent third party. Pursuant to the JC Agreement, Prime Win agreed to purchase the remaining 27.99% interest in Wellpeck from Joint Cheer at a cash consideration of HK\$2,170,000.

The aggregate consideration of HK\$9,170,000 payable to CEIL and Joint Cheer was arrived at by reference to a valuation report on the value of a 100% equity interest of Wellpeck dated 20 March 2003, prepared by a firm of independent professionally qualified valuers.

17. 與有關連人士之交易及關連交易 (續)

- (b) 於二零零三年三月二十一日，本公司與光大集團之附屬公司中國光大國際有限公司（「光大國際」）訂立一項協議（「光大國際協議」）。光大國際為在香港註冊成立之香港聯合交易所有限公司上市公司。根據光大國際協議，本公司同意購買而光大國際同意出售於Tung On Assets Limited（「Tung On」）及Bright Merit Investments Limited（「Bright Merit」）各自之100%權益，現金代價合共港幣7,000,000元。Tung On及Bright Merit合共持有Wellpeck International Group Limited（「Wellpeck」）72.01%權益。

同日，本公司之全資附屬公司Prime Win Profits Limited（「Prime Win」）與獨立第三方Joint Cheer Investments Limited（「Joint Cheer」）訂立協議（「JC協議」）。根據JC協議，Prime Win同意按現金代價港幣2,170,000元，向Joint Cheer購買Wellpeck餘下27.99%權益。

本公司須向光大國際及Joint Cheer支付之代價合共港幣9,170,000元，而該代價乃按一家獨立專業合資格估值師所編製日期為二零零三年三月二十日有關Wellpeck 100%股本權益之估值報告釐定。

17. RELATED PARTY AND CONNECTED TRANSACTIONS (continued)

- (b) After completion of the CEIL Agreement and JC Agreement during the period, Wellpeck became a wholly-owned subsidiary of the Company. The principal activities of Wellpeck and its subsidiaries (the "Wellpeck Group") are the manufacturing and sale of timber products, the development and servicing of machineries, investment holding, and the trading and export of forest products.

At the date of acquisition, the Group's share of total net assets of the Wellpeck Group amounted to approximately HK\$3.3 million and the goodwill arising from the acquisition amounted to approximately HK\$5.8 million. The net assets of the Wellpeck Group mainly comprised fixed assets and bank loans.

Further details of these connected transactions are set out in a press announcement made by the Company on 21 March 2003.

- (c) The amount due to CEH, the substantial shareholder of the Company, which was transferred to the Group through the acquisition of the Wellpeck Group as detailed in note (b) above, is interest-free, unsecured and has no fixed terms of repayment.

17. 與有關連人士之交易及關連交易 (續)

- (b) 於本期內完成光大國際協議及JC協議後，Wellpeck 成為本公司全資附屬公司。Wellpeck及其附屬公司（「Wellpeck集團」）的主要業務為製造及銷售木材產品、製造及維修機器、投資控股和買賣及出口林木產品。

於收購日，本集團應佔所收購 Wellpeck集團資產淨值約為港幣 3,300,000元及商譽約為港幣 5,800,000元。Wellpeck集團之淨資產主要包括固定資產和銀行貸款。

有關該等關連交易之進一步詳情載於本公司所刊發日期為二零零三年三月二十一日之報章公佈。

- (c) 該款額為以上附註(b)所詳述收購 Wellpeck集團時轉撥往本集團應付本公司主要股東光大集團之欠款，乃免息、無抵押及無固定還款期。

17. RELATED PARTY AND CONNECTED TRANSACTIONS (continued)

(d) In 2000, the Group advanced a total of approximately HK\$16 million (the "Advance") to a former subsidiary of the Company. The Advance was supported by a corporate guarantee provided by China Everbright Group Limited ("CEG"), a related company of the Company. In view of the uncertainties of the recoverability, the directors considered that it was more appropriate to fully write off the Advance during the year ended 31 December 2000. On 15 April 2003, an agreement was entered into between the Group and CEG pursuant to which CEG agreed to compensate the Group of the Advance by means of transfer of certain of the CEG's properties located in the PRC to the Group. During the period, CEG has transferred to the Group a property located in Shenzhen, the PRC at an agreed value of approximately HK\$12,060,000 arrived at with reference to the valuation report issued by Chung, Chan and Associates, an independent firm of professionally qualified valuers, valued on an open market basis.

A write back of HK\$12,060,000 has been dealt with in the unaudited condensed consolidated profit and loss account during the period.

(e) At the balance sheet date, the Group had bank loans of HK\$36,275,000 borrowed from China Everbright Bank Company Limited, a related company of the Company ("EB Bank Loans"). The EB Bank Loans were transferred to the Group through its acquisition of the Wellpeck Group as detailed in (b) above and bore interest at 5.31% per annum.

17. 與有關連人士之交易及關連交易 (續)

(d) 於二零零零年，本集團向一前附屬公司墊支合共約港幣16,000,000元（「墊款」），該筆墊款乃以本公司一家關連公司中國光大（集團）總公司（「光大總公司」）作出之公司擔保作抵押。基於未能確定收回該筆墊款之可能性，董事認為，於截至二零零零年十二月三十一日止年度全數撇銷墊款為較適當做法。於二零零三年四月十五日，本集團與光大總公司訂立協議，據此，光大總公司同意透過向本集團轉讓其位於中國之若干物業，就墊款向本集團作出補償。本期間，光大總公司已向本集團轉讓一項位於中國深圳之物業，協定價值約為港幣12,060,000元，乃經參考獨立專業估值公司衡量行按公開市場基準估值而發出之估值報告釐定。

撥回款項港幣12,060,000元已於本期間之未經審核簡明綜合損益表處理。

(e) 於結算日，本集團有向本公司關連公司中國光大銀行股份有限公司之港幣36,275,000元銀行貸款（「光大銀行貸款」）。光大銀行貸款是由於上文(b)段所詳述收購Wellpeck集團時轉撥予本集團，有關貸款按年利率5.31厘計息。

18. CAPITAL COMMITMENT

On 14 March 2003, the Company entered into a conditional sale and purchase agreement (the "Starlex Agreement") with Mr. Tso Yung, an independent third party, pursuant to which, the Company agreed to purchase the entire issued share capital in Starlex Limited ("Starlex"), a company incorporated in the British Virgin Islands, for a cash consideration of HK\$99.8 million.

The completion of the Starlex Agreement is conditional upon the fulfilment of certain conditions set out in the Starlex Agreement, including, inter alia, completion of the acquisition of the entire equity interest in a company principally engaged in property development in the PRC. At the balance sheet date, the Starlex Agreement had not been completed and no payment in respect of the transaction had been made by the Group. At the balance sheet date, the Group had a capital commitment contracted, but not provided for, in respect of the aforementioned transaction amounting to HK\$99.8 million.

Further details of the above acquisition transaction are set out in an announcement made by the Company on 17 March 2003 and in the circular of the Company issued to its shareholders on 7 April 2003.

19. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, the Deed was entered into between the Company and G Yean in respect of the settlement of the Claim and a total of HK\$8.2 million was received from G Yean as full settlement of the Claim. Further details of such settlement are set out in note 3 to the interim financial statements.

20. APPROVAL OF THE INTERIM FINANCIAL REPORT

The unaudited condensed interim financial statements were approved and authorised for issue by the board of directors on 29 August 2003.

18. 資本承擔

於二零零三年三月十四日，本公司與獨立第三方曹勇先生訂立有條件買賣協議（「Starlex協議」），據此，本公司同意按現金代價港幣99,800,000元購買Starlex Limited（「Starlex」）全部已發行股本，Starlex於英屬處女群島註冊成立。

Starlex協議須待達成其所載之若干條件（其中包括）收購一家從事中國物業開發業務公司的全部股本權益完成後，方告完成。於結算日，Starlex協議尚未完成，故本集團並未就該交易支付任何款項。於結算日，本集團就上述合共港幣99,800,000元之交易有已訂約未作撥備之資本承擔。

有關上述收購交易之進一步詳情分別載於本公司所刊發日期為二零零三年三月十七日之公佈及寄發予股東日期為二零零三年四月七日之通函。

19. 結算日後事項

結算日後，本公司與資源集團就清付索償訂立契據，已收取資源集團合共港幣8,200,000元作為索償的全數清付。有關索償詳情載於中期財務報表附註3。

20. 通過中期財務報告

董事會已於二零零三年八月二十九日通過及授權刊發中期財務報表。



INDEPENDENT REVIEW REPORT

To the board of directors

CHINA EVERBRIGHT TECHNOLOGY LIMITED
(Incorporated in the Cayman Islands with limited liability)

We have been instructed by the Company to review the interim financial report as set out on pages 14 to 34.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Statement of Standard Accounting Practice No. 2.125 "Interim financial reporting" issued by the Hong Kong Society of Accountants (the "HKSA") and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

獨立審閱報告

致中國光大科技有限公司董事會
 (於開曼群島註冊成立之有限公司)

本所(以下簡稱「我們」)已按 貴公司指示並已審閱 貴公司刊載於第14頁至第34頁之中期財務報告。

董事及核數師之各別責任

根據《香港聯合交易所有限公司證券上市規則》·上市公司必須以符合上市規則的規定及香港會計師公會(「香港會計師公會」)頒佈的《會計實務準則》第2.125號—「中期財務報告」的規定及相關規則編製中期財務報告。中期財務報告由董事負責,並已獲董事核准通過。

本所之責任旨在根據我們與 貴公司所訂之聘用條款就 貴公司之中期財務報告編製獨立結論,並按審閱結果僅向全體股東作出報告,報告不作其他用途。本所不會向任何其他人士就本報告之內容承擔或接納任何責任。

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports” issued by the HKSA. A review consists principally of making enquiries of the management of the Company and its subsidiaries and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2003.

Ernst & Young

Certified Public Accountants

Hong Kong, 29 August 2003

進行之審閱工作

我們是按照香港會計師公會所頒佈之《核數準則》第七零零號—「審閱中期財務報告之聘任」進行審閱。審閱工作主要包括向貴公司及其附屬公司管理層作出查詢及分析中期財務報告，評估財務報告中會計政策是否貫徹適用，賬項編列是否一致；賬項中另有說明的特別情況則除外。審閱不包括控制測試及資產、負債及交易驗證等審核程序。由於審閱的範圍遠較審核為小，所給予的保證程度也較審核為低。因此，我們不會對中期財務報告發表審核意見。

審閱之結論

根據這項不構成審核的審閱工作，我們並沒有察覺截至二零零三年六月三十日止六個月之中期財務報告需要作出任何重大修訂。

安永會計師事務所

執業會計師

香港，二零零三年八月二十九日