



CHINA EVERBRIGHT INTERNATIONAL LIMITED
中國光大國際有限公司



INTERIM REPORT 2003

二零零三年中期報告

CORPORATE INFORMATION**DIRECTORS**

WANG Mingquan (*Chairman*)
 LI Xueming (*Vice-chairman*)
 CHEN Xiaoping (*Chief Executive Officer*)
 FAN Yan Hok, Philip (*General Manager*)
 HUANG Chaohua
 WONG Kam Chung, Raymond
 CHEN Shuang
 ZHANG Weiyun
 Sir David AKERS-JONES
 (*independent non-executive*)
 LEE Ka Sze, Carmelo
 (*independent non-executive*)
 LI Kwok Sing, Aubrey
 (*independent non-executive*)

SECRETARY

Poon Yuen Ling

REGISTERED OFFICE

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PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
 International Bank of Asia Limited
 The Bank of East Asia Ltd.

SOLICITORS

Woo, Kwan, Lee & Lo

AUDITORS

KPMG

REGISTRARS

Tengis Limited
 G/F., Bank of East Asia
 Harbour View Centre
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公司資料**董事**

王明權 (主席)
 李學明 (副主席)
 陳小平 (行政總裁)
 范仁鶴 (總經理)
 黃朝華
 黃錦聰
 陳爽
 張衛云
 鍾逸傑爵士
 (獨立非執行)
 李嘉士
 (獨立非執行)
 李國星
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秘書

潘婉玲

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 港基國際銀行有限公司
 東亞銀行有限公司

律師

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BUSINESS REVIEW AND OUTLOOK

Operating Results

Although the outbreak of SARS has created many challenges for the Hong Kong economy during the first half of 2003, the situation has improved significantly since the threat of the disease has subsided. During the period under review, the Company and its subsidiaries (“the Group”) completed its business restructuring by disposing the timber business which has continued to record a loss, and entered into the environmental protection business. Currently, the Group is focusing on three core businesses, infrastructure investment, property investment and environmental protection. Amongst these, the infrastructure and property investment businesses continued to serve as the main source of profit and cash income for the Group, while the environmental protection business has been developing smoothly as well. During the period under review, the Waste-to-Energy project in Hengtan, Shunde District of Foshan City, Guangdong Province, the Group’s first environmental project, has commenced as scheduled. Although the project has yet to generate profit in the mean time, it is expected to be the future business growth driver for the Group, with a promising future ahead.

During the period under review, turnover amounted to HK\$58,442,000, representing a decrease of 56% as compared to HK\$133,429,000 recorded in the corresponding period of last year. The decrease is mainly attributable to the disposal of the timber business. Following the official commencement of operation of the Fuzhou Qingzhou Bridge this year, the daily traffic flow has shown a steady increase, and it is expected that the turnover will also gradually increase in accordance. Because the Group owns approximately 10% interest in Hong Kong Construction (Holdings) Limited (“HK Construction”), which has yet to complete its debt reorganization, the Directors has decided to make a provision of HK\$29,492,000 for this investment during the period under review, so as to further strengthen its financial health. In addition, due to fluctuations in property prices during the first half of 2003, the Group revalued its property investments and recorded a revaluation deficit of HK\$21,000,000. As a result of the provision and revaluation deficit, the Group recorded a profit of HK\$8,288,000, which represented a decrease of 68% as compared to HK\$26,077,000 of the corresponding period of last year. Despite the abovementioned factors, operating results of the Group actually performed better than that of last year.

業務回顧及展望

經營業績

二零零三年上半年，受非典型肺炎的影響，香港經濟一度面臨沉重壓力，惟隨著疫情受控，香港經濟正逐步改善。回顧期內，本公司及其附屬公司（「本集團」）完成了對公司業務的調整，將持續虧損的木材業務出售，並全面拓展環保業務，確立了基建、物業投資及環保的三大業務發展方向。基建及物業投資於期內繼續為本集團提供主要的盈利和現金收入，而環保業務亦進展順利，本集團首個環保項目廣東省佛山市順德區杏壇垃圾焚燒發電廠建設工作正如期進行，雖然在回顧期內尚未能為本集團提供盈利，但預計將成為未來業務增長點，發展前景樂觀。

回顧期內，本集團營業額為港幣58,442,000元，較去年同期的港幣133,429,000元減少56%，主要由於出售木材業務令銷售收入減少。隨著福州青洲大橋於本年開始通車收費，車流量日漸增加，相信營業額日後可逐步回升。鑒於本集團持有約10%權益的香港建設（控股）有限公司（「香港建設」）的債務重組尚未完成，董事會為使本集團財政架構更健康，決定在期內為此項投資再撥備港幣29,492,000元。此外，鑒於期內物業價格波動，本集團對物業投資作出重估虧損約港幣21,000,000元。由於撥備及重估虧損的影響，本集團期內錄得盈利港幣8,288,000元，較去年同期的港幣26,077,000元下降68%。但撇除上述因素，本集團於上半年度之經營業績較去年同期為佳。

Infrastructure Investment

The Group holds 15% interest in Shenzhen Mawan Power Company Limited (“Mawan Power”). Mawan Power owns Mawan Power Plant and Yueliangwan Power Plant. In past years, electricity generation contributed a satisfactory return to the Group. For the six months ended 30 June 2003, Mawan Power generated a total of 2.23 billion kilowatt-hour of electricity, representing a decrease of 12% compared with the 2.52 billion kilowatt hour of the corresponding period of last year. The decrease was because Mawan Power underwent a comprehensive maintenance this year, especially in January and February when its machineries and facilities were scheduled for maintenance and repair services, and also because of the outbreak of SARS led to decreased demand of electricity power from the tourism and transportation industries. The first half of 2003 was considered to be a low season, therefore, Mawan Power took this opportunity to repair its systems, so as to better prepare for power generation at full capacity in the second half of the year. Attributable profit for the first half of 2003 amounted to HK\$33,896,000, representing a decrease of 38% compared with HK\$55,114,000 of the corresponding period of last year. The reason for the decline was the result of the drop in electricity tariff in Guangdong Province since 1 July 2002, coupled with the decrease in electricity generated during the period under review. However, Mawan Power is in strong financial position, with cash on hand of approximately Rmb940 million and bank borrowings fully repaid as at 30 June 2003. It is ready to seek new acquisition opportunities to further increase revenue. Its future development appears to be promising. Looking ahead, as China's economy will continue to grow, the demand of electricity power from commercial and residential users in Guangdong Province will swiftly increase. With the increasingly efficient and mature operational and managerial systems to enhance productivity and cost control, this investment will continue to be an important source of profits for the Group.

基建投資

本集團持有深圳媽灣電力有限公司（「媽灣電力」）15%之權益。媽灣電力轄媽灣電廠和月亮灣電廠，歷年售電情況理想，持續為本集團提供理想的投資回報。截至二零零三年六月三十日止六個月，媽灣電力之售電量為22.3億千瓦時，較去年同期售電量之25.2億千瓦時約減少12%。上半年售電量減少，主要由於媽灣電力本年正值大修年度，一、二月全面檢修機組設備，加上期內非典型肺炎令旅遊用電及交通用電萎縮。媽灣電力利用上半年售電淡季全面檢修機組，可為下半年滿負荷發電作出充份準備。二零零三年上半年應佔盈利港幣33,896,000元，較去年同期之港幣55,114,000元減少38%。主要原因是自去年七月一日起廣東省上網電價下調，以及回顧期內售電量減少所致。惟媽灣電力財政穩健，於二零零三年六月三十日前全部還清銀行貸款，且持有現金約人民幣9.4億元，隨時準備收購新項目以擴闊收益，前景相當樂觀。展望未來，中國經濟持續發展，廣東省一帶對工商、住宅用電需求將迅速提升，配合企業日漸成熟的營運模式及管理體制，增高產能及控制成本，該項投資仍將繼續為本集團重要的盈利來源。

Infrastructure Investment (Continued)

The Fuzhou Qingzhou Bridge that the Group invested and built was officially opened for operation on 1 January 2003. It is a major bridge over Minjiang that serves the “Tungsan Expressway”, a coastal expressway in eastern China. It also provides a short cut for Fuzhou City to Changle International Airport. Such advantageous location possesses enormous room for future development. During the period under review, the average daily traffic flow amounted to 8,700, among which the ratio of passenger to cargo flow was 64:36. The attributable operating profit from this investment amounted to HK\$7,444,000, together with a profit of HK\$25,947,000 recognised on the recovery of prior years' pre-operating revenue, a profit after taxation of HK\$33,391,000 was recorded. This represented an increase of HK\$33,040,000 from the attributable profit of HK\$351,000 recorded for the corresponding period of last year. Since another Fuzhou Minjiang Bridge has terminated its operations since July, and the full operation of the “Tungsan Expressway” in Fujian Province was started, the daily average traffic flow of Qingzhou Bridge has gradually increased to 12,000. The Group is confident that the steadily growing traffic flow and increasingly experienced and efficient operational management will generate promising returns and revenue for the business.

Property Investment

Sino Villa Holdings Limited holds a four-storey commercial building in Shenzhen Zhongshan Garden, which generates steady rental income and cash flow to the Group. During the period under review, a total of 14,135 square meters of the property were leased to Walmart, Park'n Shop, McDonald and Agricultural Bank.

基建投資 (續)

本集團投資興建及經營的福州青洲大橋於二零零三年一月一日正式通車收費。青洲大橋是國內東部沿海高速通道—「同三線」跨越閩江的一座大型橋樑，亦是福州市區通往福州長樂國際機場的最便捷通道，地理位置優越，未來發展潛力巨大。回顧期內，福州青洲大橋之平均日車流量約8,700標準車次，其中客運及貨運車比率為64:36。本集團在此項目之應佔經營利潤為港幣7,444,000元，加上回收以前年度投資期收益錄得利潤港幣25,947,000元，錄得除稅後盈利港幣33,391,000元。較去年同期的應佔盈利港幣351,000元增加港幣33,040,000元。且七月以後福州閩江大橋停用，加上「同三線」在福建省內路段全線開通，青洲大橋的平均日車流量已增加至約12,000標準車次。本集團相信隨著車流量的穩步增長及營運期後管理日漸成熟，此項目可為集團帶來理想的回報及收益。

物業投資

Sino Villa Holdings Limited 持有位於深圳中山花園的四層商業樓宇，其給本集團帶來穩定的租金收入和現金流量。回顧期內，約14,135平方米的面積分別租賃給沃爾瑪、百佳、麥當勞和農業銀行。

Property Investment (Continued)

The Group owns approximately 25% interest in Shanghai Kerry Everbright City, which comprises two towers for office and residential use and a shopping mall. For the first half of 2003, the total sold and leased areas for the office buildings remained similar to that of last year, with 88% for Tower 1, 96% for Tower 2 and 100% for the shopping mall. Attributable profit generated during the period under review amounted to HK\$10,298,000. Although the Shanghai property market continued to achieve steady development and witnessed satisfactory demand, the Group cautiously evaluated the market value of Shanghai Kerry Everbright City during the period under review and hence, recorded a share of revaluation deficit of HK\$21,024,000. The Group also holds approximately 14% interest in Shanghai Trade Square and International Apartments, in which the sold and leased areas remained at approximately the same level as last year at 96%.

Because of the weak property market in Hong Kong during the period under review, vacancies in commercial and residential properties continued to rise, which led to the decrease in rental price and sales price. In view of this, the Group recorded a revaluation deficit of HK\$21,000,000 for the local properties in Hong Kong.

Looking ahead, the Group is confident that the property market for major PRC cities has the potential for further growth and development, and rental occupancy and rental income are expected to remain steady. For the properties in Hong Kong, the Group believes it will gradually recover following the implementation of the CEPA agreement between Mainland China and Hong Kong which is expected to benefit the local economy in the long run. The Group will strive to capitalize on the business opportunities arising from the robust economic boom of the PRC market. We will further solidify the development of its property projects in the different regions in a bid to generate steady revenue for the Group.

物業投資 (續)

本集團擁有上海嘉里不夜城約25%權益，其包括兩座辦公與住宅樓宇及一座商業廣場。本年上半年的辦公樓宇已售及已租總面積與去年底相若，其中第一座有88%，第二座有96%，商場則有100%，期內錄得應佔經營盈利港幣10,298,000元。儘管上海物業市場仍然平穩發展，樓宇需求殷切，本集團於期內審慎檢討嘉里不夜城物業的市值，並因應市況調整錄得應佔重估虧損港幣21,024,000元。至於本集團擁有約14%權益的上海商貿大廈及國際公寓業務的已售及已租總面積則為96%，與去年相若。

香港物業方面，由於期內香港地產市道非常疲弱，商廈與住宅的空置率不斷上升，以致租金與樓價下降。有見於市況調整，本集團對所持有物業提取重估虧損港幣21,000,000元。

展望未來，本集團相信下半年中國大城市的物業市道仍然朝穩中有升的趨勢發展，出租率及租金收入將可保持穩定。至於香港物業，隨著內地與香港更緊密經貿安排的簽訂，本集團相信香港經濟將可長遠受惠，物業市道可望逐步走出谷底。本集團將緊握中國未來經濟躍展的機遇，進一步鞏固於各地區的物業發展，為本集團擴展穩定收入來源。

Environmental Protection

During the period under review, the Group continued to develop its environmental protection business. Following the establishment of its representative office in Shenzhen in 2002, the Group has obtained the approval from Shenzhen Municipal Government to establish a wholly owned subsidiary, 光大環保實業(深圳)有限公司(「光大環保」) in Shenzhen on 13 March 2003. The registered capital of this company is US\$10,000,000. It will serve as an important platform of the Group to undertake investment and management of environmental protection business in the PRC. By recruiting high calibre staff and technicians, the Group is dedicated to developing its environmental protection business effectively and efficiently focusing on waste treatment, sewage treatment and water supply in urban areas. 光大環保 also entered into a cooperation agreement with the Shenzhen Branch of Agricultural Bank of China for a credit line of Rmb600 million to further support the future development of its environmental protection business. On 19 August 2003, the Group obtained another approval from the Shenzhen Municipal Government to establish another wholly owned subsidiary, 光大環保創業投資(深圳)有限公司 in Shenzhen. The registered capital of this company is US\$10,000,000. It will be dedicated to hi-tech environmental protection projects as well as the investment and management of other environmental entrepreneurial enterprises.

As disclosed in the 2002 Annual Report, the Group entered into an agreement with its business partner in February 2003 to develop a waste-to-energy plant at Hengtian in Shunde District of Foshan City, Guangdong Province. The total investment cost of the project is Rmb210 million. The designed capacity of the project is capable of processing 650 tones of waste daily. The Group owns 50% attributable interest in the plant and the concession right of this project is 25 years. The project will proceed in two phases. The plant will commence operation by the end of this year when the first phase is completed.

環保業務

於回顧期內，本集團繼續積極發展環保業務。繼二零零二年在深圳成立辦事處後，本集團於二零零三年三月十三日取得深圳市政府批准，在深圳成立一家全資附屬公司—光大環保實業(深圳)有限公司(「光大環保」)。光大環保之註冊資本為1,000萬美元，其為本集團之重要平台，專責處理國內環保業務之投資與管理工作。透過聘用優質人才及技術人員，本集團務求有效率兼有系統地主攻發展包括城市垃圾無害化處理、城市污水處理、城市自來水供應等領域之環保業務。此外，光大環保亦與中國農業銀行深圳分行簽署了「銀企合作協議」，並獲得該行人民幣6億元授信額度，有關授信額度將用以進一步支援環保業務之未來發展。於二零零三年八月十九日，本集團再獲深圳市政府批准，在深圳成立另一家全資附屬公司—光大環保創業投資(深圳)有限公司。該公司之註冊資本為1,000萬美元，其將主攻高科技環保項目及其他環保創業企業之投資與管理工作。

誠如二零零二年年報所披露，本集團於二零零三年二月與合作夥伴訂立協議，雙方共同發展廣東省佛山市順德區杏壇垃圾焚燒發電廠項目。項目總投資為人民幣2.1億元。垃圾處理量為每日650噸。該項目之特許經營權25年。本集團擁有發電廠50%應佔權益，有關項目分兩期進行。發電廠將於本年底前待第一期完成後投入服務。

Environmental Protection (Continued)

In September 2003, a company owned as to 50% by the Group and 50% by its business partner entered into an agreement with a company established by the Suzhou Government, to establish a sino-foreign co-operative joint venture company to be principally engaged in a waste-to-energy project in Suzhou, the PRC. The investment cost of this project is Rmb500 million. The designed capacity of the project is capable of processing 1,000 tones of waste daily. The concession right of this project is 25 years. This project is expected to commence at the end of this year.

Recently, another company owned as to 50% by the Group and 50% by its business partner entered into a conditional agreement with 武漢市建設委員會 in relation to the investment, construction, management and operation of the 武漢市北洋橋 waste-to-energy plant. The total investment cost of the project is approximately Rmb400 million. The waste-to-energy plant to be constructed will be capable of processing 1,000 tones of waste daily. The concession right of this project is 27 years (including 2 years construction period). This agreement is conditional upon the approval of the Wuhan Municipal Government. Upon approval of this agreement, the parties will enter into a definitive agreement which will contain the detailed terms in relation to this project.

Eyeing the increasing market demand (the outbreak of SARS has indeed stimulated the development of the environmental protection industry), coupled with the immense governmental support and tax incentive policies, the environmental protection business in the PRC possesses tremendous room for growth. The Group will strengthen its development speed and momentum, so as to plant a steady foothold in the economically developing zones of the Pearl River and Yangtze River and to become the leader in the environmental protection business in the city.

環保業務 (續)

於二零零三年九月，一家由本集團及其合作夥伴各佔50%權益之公司與一家由蘇州市政府成立之公司訂立協議，雙方共同成立一家中外合作經營企業，主力於中國蘇州從事垃圾焚燒發電項目。項目總投資為人民幣5億元，垃圾處理量為每日1,000噸。該項目之特許經營權25年。預計此項目將於本年底動工。

最近，一家由本集團及其合作夥伴各佔50%權益之公司與武漢市建設委員會訂立有條件協議，共同投資、建造、管理及經營武漢市北洋橋垃圾焚燒發電廠。項目總投資約人民幣4億元，垃圾處理量為每日1,000噸。該項目之特許經營權27年(包括兩年建造期)。是項協議須待武漢市政府批准後方可作實。待是項協議獲批准後，各訂約方將訂立具有項目詳細條款之正式協議。

有見市場需求日大(非典型肺炎的爆發在一定程度上也刺激了環保產業的市場需求)，加上政府的強大支援及稅收優惠政策的配合，國內環保事業的增長潛力龐大。本集團將銳意立足長江三角洲、珠江三角洲等經濟發展地區，力爭逐步加大發展力度開拓業務，發展成為城市環保業務的翹楚。

Timber Business

Adversely affected by the intensified competition in the PRC timber market in the past few years, Everbright Timber Industry (Shenzhen) Co., Ltd. (“SETI”) has demonstrated unsatisfactory economic efficiency and remained in a loss position. For the first quarter of 2003, the Group recorded an attributable loss of HK\$5,534,000 from SETI. In view of this, the Group decided to dispose the timber business and re-deploy its resource in infrastructure, property and environmental protection businesses.

On 21 March 2003, the Company entered into an agreement with China Everbright Technology Limited for the disposal of 77.12% interest in SETI for a cash consideration of HK\$7,000,000. The disposal constituted a connected transaction as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) and the transaction was completed on 28 March 2003. Since SETI was in a net deficit position prior to the disposal, the Group recorded a profit on disposal of HK\$19,576,000 from the transaction.

HK Construction

The Group holds approximately 10% interest in HK Construction as strategic long-term investment. HK Construction is a leading contractor in Hong Kong and China and has participated in several renowned construction and infrastructure projects. HK Construction endeavored to complete the debt restructuring with its bank creditors since 2001. However, since HK Construction was still in a loss position in the past two years, its debt restructuring has been delayed and the standstill arrangement is still under progress, the Group has made a further provision of HK\$29,492,000 for this investment during the period under review. The net carrying value after the provision is HK\$32,816,000 as at 30 June 2003.

木材業務

過去幾年，受到國內木材市場價格競爭的衝擊，光大木材工業（深圳）有限公司（「光大木材」）的業務一直都是處於虧損的狀況，經濟效益低，本年第一季度並且錄得虧損港幣5,534,000元。有鑒於此，本集團決定精簡業務將木材業務出售，並重新調配資源至基建、物業及環保業務。

於二零零三年三月二十一日，本公司與中國光大科技有限公司簽署協議，同意以港幣7,000,000元現金代價出售持有光大木材之77.12%權益。有關交易構成一項關連交易（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））。該交易並已於二零零三年三月二十八日完成。鑒於光大木材於出售前已是負資產的狀況，故本集團於出售事項錄得港幣19,576,000元的出售利潤。

香港建設

本集團作為長期策略性投資持有香港建設約10%權益。香港建設是香港和中國內地市場的一家重要建築商，承建過不少知名的重大工程。香港建設自二零零一年開始致力與債權銀行完成債務重組。唯過去兩年香港建設經營仍處於虧損，債務重組一再拖延，而暫緩還款安排仍在進行中。有見於此，本集團於回顧期內就此項投資再增加撥備港幣29,492,000元。撥備後此項投資於二零零三年六月三十日的帳面價值為港幣32,816,000元。

Business Outlook

The Group has successfully implemented business restructuring and clearly defined its direction of business development. Coupled with the full support of the parent company, China Everbright Holdings Company Limited, the Group succeeded in turning its loss position into a profitable one since 2001. In the first half of 2003, we further undertook restructuring, launched development projects and prudently made provisions for past investments. By resolving those historical problems, we firmly believe that we can steadily grow in full speed in the future. Looking forward, the Group will further re-deploy its assets and resources to realize its mission to be “situated in Hong Kong, rooted in China and facing the world”. While consolidating its existing businesses, the Group will further benefit from the growing demand for environmental protection and infrastructure. Together with the series of supportive government policies and negotiations for joint ventures with business partners to achieve synergy, the Group will explore the environmental protection market that poses enormous market potentials. The Group will strive to become an established, credible and leading corporation, especially in the fields of energy and environmental protection, so as to create higher value for the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position

As at 30 June 2003, the Group had total assets of approximately HK\$1,966,973,000. The net assets were HK\$946,205,000 and the net assets per share was HK\$0.37. The gearing ratio, calculated by total liabilities divided by total assets, was 52%, representing a decrease of 7% over 59% of last year. As at 30 June 2003, total cash balance was HK\$106,616,000.

The Group generally finances its operations with internally generated cash flow and loan facilities from banks and from its ultimate holding company. The Group strives to lower its debt level and finance costs. By the disposal of 77.12% interest in SETI and repayment of bank loans, the Group's debt level has been lowered substantially. As at 30 June 2003, the Group's total outstanding borrowings were reduced to HK\$861,348,000, comprising secured bank loans

業務展望

憑藉企業成功的改革重組、清晰的業務發展方向、配合母公司中國光大集團有限公司的全力支援以及管理團隊的豐厚經驗，本集團自二零零一年轉虧為盈後，二零零三年上半年又進一步落實重組及發展大計，並審慎地就歷史投資作出撥備，相信今後將能清除以往包袱，更穩健地全速發展。展望未來，本集團將進一步調整資產結構，堅持「立足香港、根植大陸、面向世界」的宗旨。在鞏固現有業務的同時，本集團更受惠於日益增長的環保及基建需求，加上政府連串的政策支援，與合作夥伴商討共同發展計劃，發揮「強強聯合、優勢互補」，銳意開拓潛力龐大的國內綠色環保市場，致力成為業內一家實力雄厚、信譽卓著、在能源、基建投資及綠色環保領域方面具領導地位的綜合產業集團，為股東創造最大的利益及回報。

管理層討論與分析

財務狀況

於二零零三年六月三十日，本集團之總資產約為港幣1,966,973,000元。淨資產則為港幣946,205,000元，而每股資產淨值為港幣0.37元。資產負債比率相等於52%，較去年底之59%下降7%。資產負債比率乃以總負債除以總資產計算所得。於二零零三年六月三十日，本集團持有現金港幣106,616,000元。

本集團基本以其內部現金流量及其往來銀行與最終控股公司提供之貸款為其業務提供資金。本集團致力減低負債水平及財務成本。通過出售光大木材77.12%權益及歸還銀行貸款，本集團之負債水平大幅下降。於二零零三年六月三十日，本集團之尚未償還借款總額已下降至港幣861,348,000元，

of HK\$124,800,000, other loans of HK\$90,551,000 and loans from ultimate holding company of HK\$645,997,000. The balance was decreased by 29% over HK\$1,210,561,000 of last year. With respect to foreign exchange exposure, the risk is rather low as all of the Group's foreign currency assets and borrowings are denominated in Renminbi and 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.

Pledge of Assets

As at 30 June 2003, the Group pledged unlisted investments and fixed assets with an aggregate net book value of approximately HK\$278,433,000 to secure general banking facilities granted to the Group.

Contingent Liabilities

As at 30 June 2003, there were contingent liabilities in respect of guarantees given to banks by the Company for its 25% share of banking facilities extended by banks to an associate amounting to HK\$2,095,000.

Employees and Remuneration

As at 30 June 2003, the Group had a total of approximately 40 employees located in Hong Kong and the PRC. Employees are remunerated according to qualification and experience, job nature and performance, as well as market conditions. Apart from discretionary performance bonus, the Group also provides other benefits such as medical insurance cover and provident fund scheme to the employees in Hong Kong. The share option scheme adopted by the Company on 30 September 1993 will expire on 29 September 2003. A new share option scheme was approved at the extraordinary general meeting held on 26 May 2003, under which the directors of the Company are authorized to grant share options to any employees including directors as incentives. No share option was granted to any employee during the period.

INTERIM DIVIDEND

The directors resolved not to pay an interim dividend for the six months ended 30 June 2003 (2002: Nil).

其中包括有抵押銀行貸款港幣124,800,000元，其他貸款港幣90,551,000元及最終控股公司貸款港幣645,997,000元，結餘較去年底之港幣1,210,561,000元減少29%。就外匯風險而言，由於本集團所有的外幣資產及借款均以人民幣及美元為單位，兩者兌換港幣相對穩定，故面對之風險較微。對本集團而言，此等貨幣之匯率波動影響相對較輕。

資產抵押

於二零零三年六月三十日，本集團將總賬面淨值約港幣278,433,000元之非上市投資及固定資產作為本集團之一般銀行融資之抵押品。

或有負債

於二零零三年六月三十日，或有負債為本集團就銀行給予其聯營公司之銀行貸款額向銀行作出其佔25%之擔保港幣2,095,000元。

僱員薪酬

於二零零三年六月三十日，本集團在香港及中國合共僱用了約40名員工。僱員之薪酬乃根據資歷、經驗、工作性質、表現以及市場情況計算釐定。除了酌情花紅外，本集團亦提供其他福利予香港僱員，例如醫療保險及公積金計劃。此外，本公司於一九九三年九月三十日採納的購股權計劃將於二零零三年九月二十九日到期。本公司於二零零三年五月二十六日舉行的股東特別大會上批准了新的購股權計劃。按照已採納的購股權計劃，本公司董事獲授權酌情授出購股權予任何僱員（包括董事）作為獎勵。期內，並無授出任何購股權予任何僱員。

中期股息

董事會決議不派發截至二零零三年六月三十日止六個月之中期股息（二零零二年：無）。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

董事及主要行政人員持有之股份權益

As at 30 June 2003, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares of equity derivatives and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register of directors' and chief executives' interests and short positions required to be maintained under section 352 of the SFO are as follows:

於二零零三年六月三十日，本公司根據證券及期貨條例第352條規定須設置之董事及最高行政人員權益及淡倉登記冊所載記錄顯示，各董事及行政總裁在本公司及其聯營公司（定義見證券及期貨條例第XV部）之股份、相關股份股本衍生工具及債券之權益如下：

1. Long position in underlying shares of equity derivatives of the Company

1. 於本公司相關股份股本衍生工具之好倉

Name of Director 董事姓名	Nature of interest 權益性質	Number of equity derivatives held 持有股本 衍生工具數目 (share options) (購股權)	Number of underlying shares 相關 股份數目 (ordinary shares) (普通股)	Percentage 百分比
Fan Yan Hok, Philip 范仁鶴	Personal 個人	2,000,000	2,000,000	0.08%

2. Long position in underlying shares of equity derivatives of China Everbright Limited ("CEL"), an associated corporation of the Company

2. 於本公司之聯繫公司中國光大控股有限公司（「光大控股」）相關股份股本衍生工具之好倉

Name of Director 董事姓名	Nature of interest 權益性質	Number of equity derivatives held 持有股本 衍生工具數目 (share options) (購股權)	Number of underlying shares 相關 股份數目 (ordinary shares) (普通股)	Percentage 百分比
Wang Mingquan 王明權	Personal 個人	6,000,000	6,000,000	0.38%

All the above underlying shares of equity derivatives (being unlisted and physically settled) were beneficially owned by the Directors concerned. The percentage shown was calculated based on the respective number of issued shares of the Company and CEL as at 30 June 2003.

上述相關股份股本衍生工具（非上市及實物結算）均由有關董事實益持有。上表所顯示之百分比以本公司及光大控股於二零零三年六月三十日各自發行股份數目計算。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Continued)

Details of the share options held by the Directors and Chief Executive of the Company and the associated corporation are shown in the following section under the heading "Share Option Scheme".

Save as disclosed above, as at 30 June 2003, none of the Directors and Chief Executive of the Company had any interests or was in short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporation as defined under SFO as recorded in the register of directors' and chief executives' interests and short positions.

SHARE OPTION SCHEME

(a) The Company

The Company has a share option scheme which was adopted on 30 September 1993 ("Old Scheme") whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The consideration paid by the director for the options granted was HK\$1.

At 30 June 2003, the directors and employees of the Company had the following interests in options granted under the Old Scheme to subscribe for shares of the Company (market value per share at 30 June 2003 is HK\$0.238).

董事及主要行政人員持有之股份權益 (續)

本公司董事及行政總裁持有之購股權的資料見於下列「購股權計劃」項下。

除上文所披露者外，於二零零三年六月三十日，本公司根據證券及期貨條例而設置之董事及最高行政人員權益及淡倉登記冊內，本公司董事及行政總裁概無擁有本公司或任何聯營公司之股份、相關股份衍生工具或債券之淡倉權益。

購股權計劃

(a) 本公司

本公司設有一個購股權計劃（「原購股權計劃」），其於一九九三年九月三十日採納。據此，本公司董事獲授權可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納可認購本公司股份之購股權。董事就獲授購股權而支付之代價為港幣1元。

於二零零三年六月三十日，本公司董事及僱員於原購股權計劃下擁有下列可認購本公司股份之購股權權益（於二零零三年六月三十日之每股市值為港幣0.238元）。

SHARE OPTION SCHEME (Continued)

購股權計劃 (續)

(a) The Company (Continued)

(a) 本公司 (續)

	No. of options outstanding at 1 January 2003 於二零零三年 一月一日 尚未行使之 購股權數目	No. of options outstanding at 30 June 2003 於二零零三年 六月三十日 尚未行使之 購股權數目	Date of grant 授出日期	Period during which options exercisable 購股權 行使期	Price per share on exercise 購股權時之 每股價格	Market value per share at date of grant of options 於購股權 授出日期之 每股市值
Directors 董事						
Fan Yan Hok, 范仁鶴 Philip	2,000,000	2,000,000	1 November 1997 一九九七年 十一月一日	1 May 1998 to 29 September 2003 一九九八年 五月一日至 二零零三年 九月二十九日	HK\$2.23 港幣2.23元	HK\$2.85 港幣2.85元

During the period, no option was granted, exercised, lapsed or cancelled under the Old Scheme.

期內，在原購股權計劃下並無授出、行使、失效或註銷任何購股權。

On 26 May 2003, the shareholders of the Company approved the termination (to the effect that no further options shall be offered) of the Old Scheme and the adoption of a new share option scheme ("New Scheme"). The New Scheme is designed to attract, retain and motivate talented executives and employees of the Group to strive for the future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and providing benefits to staffs.

於二零零三年五月二十六日，本公司股東批准終止（即不得再行授出任何購股權）原購股權計劃，並採納新的購股權計劃（「新購股權計劃」）。新購股權計劃旨在吸引、挽留及推動本集團有才幹之行政人員及僱員為本集團之未來發展及業務拓展作出努力，以及為了給予本公司靈活方法以推動、獎賞、酬謝、補償及提供福利予員工。

During the period, no option was granted under the New Scheme since its adoption.

期內，自新購股權計劃被採納後並無授出任何購股權。

(b) Associated corporation

(b) 聯繫公司

The following director of the Company had personal interests in options to subscribe for shares of CEL. The shares of CEL are listed on The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

以下之本公司董事個人持有購股權權益可認購光大控股之股份。光大控股之股份於香港聯合交易所有限公司（「聯交所」）上市。

SHARE OPTION SCHEME (Continued)

購股權計劃 (續)

(b) Associated corporation (Continued)

(b) 聯繫公司 (續)

	No. of options outstanding at 1 January 2003 於二零零三年 一月一日 尚未行使之 購股權數目	No. of options outstanding at 30 June 2003 於二零零三年 六月三十日 尚未行使之 購股權數目	Date of grant 授出日期	Period during which options exercisable 購股權行使期	Price per Share on exercise 行使購股 權時之 每股價格
Wang Mingquan 王明權	6,000,000	6,000,000	26 June 2002 二零零二年 六月二十六日	27 June 2003 to 26 December 2005 二零零三年 六月二十七日至 二零零五年 十二月二十六日	HK\$4.36 港幣4.36元

Details of the above options are disclosed in the interim financial report of CEL for the six months ended 30 June 2003.

上述購股權之詳情載於光大控股截至二零零三年六月三十日止六個月之中期財務報告內披露。

SUBSTANTIAL SHAREHOLDERS

主要股東

As at 30 June 2003, the following companies had interest in 5% or more of the shares and underlying shares of the Company pursuant to the SFO:-

根據證券及期貨條例，於二零零三年六月三十日，下列公司擁有本公司股份及相關股份百分之五或以上權益：-

		Ordinary shares held 所持 普通股數目	Percentage of total issued shares 佔已發行股份 總數之百分比
China Everbright Holdings Company Limited ("CEH") (Note)	中國光大集團有限公司 (「光大集團」) (附註)	1,758,595,910	Approximately 69.01% 約69.01%

Note: Out of the 1,758,595,910 shares, 1,758,215,910 shares are held by Guildford Limited ("Guildford"). Guildford is owned as to 55% by Datten Investments Limited ("Datten") and the remaining 45% by CEH. Datten is wholly-owned by CEH. The remaining 380,000 shares are held by Everbright Investment & Management Limited ("EIM"), a wholly-owned subsidiary of CEH. Accordingly, CEH is deemed to be interested in the 1,758,215,910 shares held by Guildford and the 380,000 shares held by EIM.

附註：在1,758,595,910股股份中，其中1,758,215,910股乃由Guildford Limited (「Guildford」) 持有。Guildford乃由Datten Investments Limited (「Datten」) 擁有55%股權，其餘45%則由光大集團持有。Datten為光大集團之全資附屬公司。其餘380,000股則由光大集團之全資附屬公司光大投資管理有限公司 (「光大投資管理」) 持有。故此，光大集團被視為持有Guildford所持有之1,758,215,910股股份及光大投資管理持有之380,000股股份。

SUBSTANTIAL SHAREHOLDERS (Continued)

Save as disclosed above, as recorded in the register of interests and short positions in shares maintained under section 336 of Part XV of the SFO, there was no person having an interest amounting to 5% or more of the shares and underlying shares of the Company as at 30 June 2003.

FINANCIAL ASSISTANCE TO ASSOCIATE

At 30 June 2003, the Group provided the following financial assistance to an associate:

Name of company	公司名稱	Advances 墊款 HK\$'000 港幣千元	Corporate guarantee 公司擔保 HK\$'000 港幣千元
Hong Kong Shanghai Development Co Ltd. ("HK Shanghai") (Note)	港滙發展有限公司 〔「港滙發展」〕 (附註)	486,909	2,095

Note: HK Shanghai, a company incorporated in Western Samoa with limited liability, is a joint venture company between the Company and three other independent third parties. The Group made the above advances and guarantee to HK Shanghai in the proportion to the Group's interest in HK Shanghai, i.e. 25% of the issued share capital of HK Shanghai.

主要股東 (續)

除上文所披露者外，按本公司根據證券及期貨條例第XV部第336條之規定而存置之股份權益及淡倉登記冊所記錄，於二零零三年六月三十日，並無任何其他人士擁有本公司股份及相關股份百分之五或以上之權益。

向聯營公司提供財政資助

於二零零三年六月三十日，本集團向聯營公司提供以下財政資助：

附註：港滙發展乃一家於西薩摩亞註冊成立之有限公司，其為本公司與另外三個獨立第三者成立之合營公司。本集團按所佔權益比例向港滙發展提供墊款及公司擔保，即港滙發展已發行股本之25%。

The above advance made to HK Shanghai was for its working capital purposes and is interest free, unsecured and has no maturity date for repayment. The corporate guarantee given were in respect of banking facilities utilised by HK Shanghai for end user financing purposes.

上述向港滙發展提供之墊款乃作為其營運資金之用，其為免息、無抵押，且無還款期限。公司擔保乃就港滙發展已動用作為最終用家融資之銀行融資而作出。

The source of funding for such advances is by way of the Group's internal funding and bank borrowings.

該等墊款之資金來自本集團之內部資金及銀行借款。

Save as disclosed above, the Group has no other matters to disclose under the provisions of Practice Note 19 of the Listing Rules).

除上文所披露者外，根據上市規則第19項應用指引之規定，本集團並無其他須予披露之事項。

FINANCIAL ASSISTANCE TO ASSOCIATE
(Continued)
向聯營公司提供財政資助 (續)

Unaudited consolidated balance sheet of HK Shanghai is set out as follows:

港滙發展之未經審核綜合資產負債表載列如下:

		<i>HK\$ '000</i>
		港幣千元
Fixed assets (Note 1)	固定資產 (附註一)	2,028,046
Current assets	流動資產	42,802
Current liabilities	流動負債	(69,788)
Long term liabilities (Note 2)	長期負債 (附註二)	(2,156,523)
Minority interests	少數股東權益	(11,245)
		<hr/>
Net liabilities	負債淨額	<u>(166,708)</u>

Note:

- Fixed assets mainly comprise investment properties and property under development.
- Long term liabilities mainly comprise bank loans and loans from shareholders.

附註:

- 固定資產主要由投資物業及發展中物業所組成。
- 長期負債主要由銀行貸款及股東貸款所組成。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES
買賣或贖回本公司之上市證券

There was no purchase, sale or redemption of the listed securities of the Company by the Company or any of its subsidiaries during the period.

期內，本公司或其任何附屬公司概無購回、出售或贖回本公司之上市證券。

AUDIT COMMITTEE

The Company has established an audit committee comprising three independent non-executive directors. The audit committee has reviewed with the management the accounting principles and practice adopted by the Group and discussed internal controls and financial reporting matters including a full review of the unaudited interim financial report for the six months ended 30 June 2003. At the request of the directors, the Group's external auditors have carried out a review of the unaudited interim financial report in accordance with Statement of Auditing Standard 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants.

審核委員會

本公司經已成立審核委員會，其由三名獨立非執行董事組成。審核委員會已與管理層一起審閱本集團所採納之會計原則及慣例，並討論內部控制及財務申報事宜，包括全面審閱截至二零零三年六月三十日止六個月之未經審核中期財務報告。應董事之要求，集團之外聘核數師已跟據香港會計師公會頒佈之核數準則第700號「審閱中期財務報告之委聘」審閱未經審核中期財務報告。

COMPLIANCE WITH THE 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 set out in Appendix 14 of the Listing Rules except that the independent directors are not appointed for a fixed term as they are subject to retirement by rotation in accordance with the Company's articles of association.

PUBLICATION OF INTERIM REPORT

The 2003 interim report containing all the information of the Company required by paragraphs 46(1) to 46(6) inclusive of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board
Chen Xiaoping
Chief Executive Officer

Hong Kong, 25 September 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14所載之「最佳應用守則」，惟獨立董事乃根據本公司之公司細則須輪席告退，而並非以固定任期獲委任者除外。

公佈中期報告

載有上市規則附錄16第46(1)至46(6)段所規定有關本公司之所有資料之二零零三年度中期報告將適時在聯交所之網站發放。

承董事會命
陳小平
行政總裁

香港，二零零三年九月二十五日

**Consolidated profit and loss account
for the six months ended 30 June 2003**

– unaudited

(Expressed in Hong Kong dollars)

綜合損益表

截至二零零三年六月三十日止六個月

– 未經審核

(以港幣計算)

		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	
			(restated)	
			(重報)	
		\$'000	\$'000	
		千元	千元	
	Note 附註			
Turnover	營業額	3	58,442	133,429
Cost of sales	銷售成本		(46,192)	(107,600)
			12,250	25,829
Other revenue	其他收入		10,652	5,473
Distribution costs	分銷成本		(1,305)	(4,469)
Administrative expenses	行政費用		(14,575)	(18,512)
Other operating expenses	其他經營費用		(53,753)	(4,162)
(Loss)/profit from operations	經營(虧損)/盈利		(46,731)	4,159
Finance costs	財務費用	5	(18,920)	(34,254)
			(65,651)	(30,095)
Share of results of associates	所佔聯營公司業績			
Share of net profit before taxation	所佔除稅前淨盈利		43,935	67,259
Share of deficit on revaluation of investment properties	所佔投資物業重估虧損		(21,024)	-
Share of profits of jointly controlled entity	所佔合營公司盈利			
Gain on sale of discontinued operation	出售終止經營業務收益	11	31,982	351
		4	19,576	-
Profit from ordinary activities before taxation	一般業務除稅前盈利			
Continuing operations	持續經營業務		14,116	38,796
Discontinued operation	終止經營業務		(5,298)	(1,281)
		5	8,818	37,515
Taxation	稅項			
Continuing operations	持續經營業務		(262)	(10,937)
Discontinued operation	終止經營業務		-	(30)
		6	(262)	(10,967)
Profit from ordinary activities after taxation	一般業務除稅後盈利			
Minority interests	少數股東權益		8,556	26,548
			(268)	(471)
Profit for the period	本期間盈利		8,288	26,077
Earnings per share	每股盈利			
Basic	基本	8	0.3 cent 仙	1.0 cent 仙

The notes on pages 23 to 35 form part of this interim financial report.

載於第23至第35頁之附註為此等中期財務報告之一部份。

Consolidated balance sheet
at 30 June 2003
– unaudited
(Expressed in Hong Kong dollars)

綜合資產負債表
於二零零三年六月三十日
– 未經審核
(以港幣計算)

			At 30 June 2003 二零零三年 六月三十日		At 31 December 2002 二零零二年 十二月三十一日 (restated) (重報)
	Note 附註	\$'000 千元		\$'000 千元	
Non-current assets					
					非流動資產
Fixed assets					固定資產
– Investment properties		209,751		232,601	– 投資物業
– Other property, plant and equipment		669,501		329,483	– 其他物業、 廠房及設備
		<u>669,501</u>		<u>329,483</u>	
Interest in associates	9	879,252		562,084	聯營公司權益
Interest in jointly controlled entity	10	894,864		897,402	合營公司權益
Other financial assets	11	–		523,585	其他財務資產
Goodwill	12	27,403		81,300	商譽
		<u>27,403</u>		–	
		1,850,030		2,064,371	
Current assets					流動資產
Listed securities in Hong Kong		140		774	香港上市證券
Inventories		–		46,321	存貨
Debtors, other receivables, deposits and prepayments		10,187		71,803	應收賬款、其他應收 款項、按金及預付款項
Cash and cash equivalents	13	106,616		127,047	現金及現金等價物
		<u>106,616</u>		<u>127,047</u>	
		116,943		245,945	
		<u>116,943</u>		<u>245,945</u>	

Consolidated balance sheet
at 30 June 2003
– unaudited (Continued)
(Expressed in Hong Kong dollars)

綜合資產負債表
於二零零三年六月三十日
– 未經審核 (續)
(以港幣計算)

			At 30 June 2003 二零零三年 六月三十日	At 31 December 2002 二零零二年 十二月三十一日 (restated) (重報)
		Note 附註	\$'000 千元	\$'000 千元
Current liabilities	流動負債			
Bank loans	銀行貸款			
– secured	– 有抵押		80,000	110,991
– unsecured	– 無抵押		–	306,747
			<u>80,000</u>	<u>417,738</u>
Loan from associate	聯營公司貸款		–	18,988
Creditors, other payables and accrued expenses	應付賬款、其他應付 款項及應計費用	14	72,597	57,365
Taxation	稅項		–	31
			<u>152,597</u>	<u>494,122</u>
Net current liabilities	流動負債淨額		<u>(35,654)</u>	<u>(248,177)</u>
Total assets less current liabilities	資產總額減 流動負債		1,814,376	1,816,194
Non-current liabilities	非流動負債			
Secured bank loan	有抵押銀行貸款		44,800	50,800
Loans from ultimate holding company	最終控股公司貸款		645,997	645,997
Other loans	其他貸款		90,551	77,038
Amount due to ultimate holding company	應付最終控股 公司款項		67,287	77,365
Deferred tax liabilities	遞延稅項負債		19,536	19,536
			<u>868,171</u>	<u>870,736</u>
Minority interests	少數股東權益		–	6,889
NET ASSETS	資產淨額		<u>946,205</u>	<u>938,569</u>
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	15	254,831	254,831
Reserves	儲備	16	691,374	683,738
			<u>946,205</u>	<u>938,569</u>

The notes on pages 23 to 35 form part of this interim financial report.

載於第23至第35頁之附註為此等中期財務報告之一部份。

**Consolidated statement of changes in equity
for the six months ended 30 June 2003
– unaudited**
(Expressed in Hong Kong dollars)

綜合權益變動表
截至二零零三年六月三十日止六個月
– 未經審核
(以港幣計算)

		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
			(restated)
			(重報)
		\$'000	\$'000
		千元	千元
Shareholders' equity at 1 January	於一月一日之 股東權益	<i>Note</i>	
		附註	
As previously reported	如前呈報		987,591
Prior period adjustments arising from change in accounting policy for deferred taxation	修訂有關遞延稅項的會計政策所產生的前期調整	2	(49,022)
As restated	已重報		938,569
Share of exchange reserve of associates	所佔聯營公司匯兌儲備	16	(33)
Exchange differences on translation of financial statements of subsidiaries	換算附屬公司財務報表產生之匯兌差額	16	(1)
Net gains and losses not recognised in the profit and loss account	未於損益表中確認之淨收益及虧損		(34)
Net profit for the period	本期間淨盈利	16	8,288
Exchange reserve realised on disposal of subsidiaries	出售附屬公司而變現之匯兌儲備	16	(618)
Shareholders' equity at 30 June	於六月三十日之 股東權益		946,205
			963,117

The notes on pages 23 to 35 form part of this interim financial report.

載於第23至第35頁之附註為此等中期財務報告之一部份。

**Condensed consolidated cash flow statement
for the six months ended 30 June 2003
– unaudited**
(Expressed in Hong Kong dollars)

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
– 未經審核
(以港幣計算)

		Six months ended 30 June 截至六月三十日止六個月	
		2003 二零零三年	2002 二零零二年
		\$'000 千元	\$'000 千元
Net cash (used in)/from operating activities	經營活動(動用)/產生之現金淨額	(21,121)	46,502
Net cash from/(used in) investing activities	投資活動產生/(動用)之現金淨額	15,946	(1,395)
Net cash used in financing activities	融資活動動用之現金淨額	<u>(15,256)</u>	<u>(20,177)</u>
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(20,431)	24,930
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	<u>127,047</u>	<u>120,604</u>
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	<u><u>106,616</u></u>	<u><u>145,534</u></u>
Analysis of the balances of cash and cash equivalents	現金及現金等價物結存之分析		
Cash at bank and in hand	銀行結餘及現金	<u><u>106,616</u></u>	<u><u>145,534</u></u>

The notes on pages 23 to 35 form part of this interim financial report.

載於第23至第35頁之附註為此等中期財務報告之一部份。

Notes on the unaudited interim financial report (Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (以港幣計算)

1. Basis of preparation

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Society of Accountants (“HKSA”). KPMG’s independent review report to the board of directors is included on page 36.

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, including compliance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the HKSA.

The financial information relating to the financial year ended 31 December 2002 included in the interim financial report does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2002 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 16 April 2003.

The accounting policies and method of computation used in the preparation of the interim financial report are consistent with those used in the annual financial statements for the year ended 31 December 2002 except for the adoption of revised accounting standard in Hong Kong as described in note 2.

2. Change in accounting policy

In prior years, deferred tax liabilities were provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which were expected with reasonable probability to crystallise in the foreseeable future. Deferred tax assets were not recognised unless their realisation was assured beyond reasonable doubt. With effect from 1 January 2003, in order to comply with SSAP 12 (revised) “Income Taxes” issued by the HKSA, the Group adopted a new policy for deferred tax as set out below.

1. 編製基準

本中期財務報告乃未經審核資料，惟其已經由畢馬威會計師事務所根據香港會計師公會（「會計師公會」）頒佈之核數準則第700號「審閱中期財務報告之委聘」予以審閱，畢馬威會計師事務所致予董事會之獨立審閱報告載於中期報告第36頁。

中期財務報告已根據香港聯合交易所有限公司主板上市規則之規定編製，包括遵從會計師公會頒佈之會計實務準則（「會計實務準則」）第25號「中期財務報告」之規定。

中期財務報告所載有關截至二零零二年十二月三十一日止財政年度之財務資料並不構成本公司於該財政年度之法定財務報表，惟其摘錄自該等財務報表。截至二零零二年十二月三十一日止年度之法定財務報表在本公司之註冊辦事處可供查閱。核數師已於二零零三年四月十六日發出之報告中就該等財務報表發表無保留意見。

除了附註2所述之採納經修訂香港會計準則外，在編製中期財務報告時所使用之會計政策及計算方法與編製截至二零零二年十二月三十一日止年度之年度財務報表所使用者符合一致。

2. 會計政策之修訂

在以往年度，遞延稅項負債是就收益及支出的會計與稅務處理方法之間，由所有重大時差而相當可能於可見未來實現的稅項影響，以負債法計提準備。遞延稅項資產只會在合理保證可實現時才會確認。由二零零三年一月一日起，為了符合會計實務準則第12號（經修訂）「所得稅」之規定，本集團採用了以下所述一項關於遞延稅的新會計政策。

2. Change in accounting policy (Continued)

Under SSAP 12 (revised), deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases respectively. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. The limited exceptions are temporary differences arising from goodwill not deductible for tax purposes, negative goodwill treated as deferred income, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

As a result of the adoption of this accounting policy, the Group's profit for the period has been increased by \$5,041,000 (2002: decreased by \$2,267,000) and the Group's net assets as at 30 June 2003 has been decreased by \$43,981,000 (at 31 December 2002: \$49,022,000).

The new accounting policy has been adopted retrospectively, with the opening balance of accumulated losses and reserves and the comparative information adjusted for the amounts relating to prior periods as disclosed in the consolidated statement of changes in equity.

2. 會計政策之修訂 (續)

根據會計實務準則第12號(經修訂),遞延稅項資產及遞延稅項負債乃分別源自資產及負債項目於財務報告內之賬面值及其相對之稅基面值所產生的可扣減或可徵稅之暫時差異。遞延稅項資產亦可由尚未扣減的稅務虧損及稅收抵免所產生。

除有限之特別情況外,所有遞延稅項負債及遞延稅項資產(資產確認之上限乃基於未來有可能產生之稅務利潤並能沖銷已確認之遞延稅項資產)均被確認。不被確認之暫時差異情況包括在稅務上不可扣減的商譽、被當作遞延收入的負商譽、於最初確認資產及負債時不影響會計或稅務的利潤、及於投資附屬公司所產生的暫時差異(就可徵稅的差異,限於集團能控制該差異逆轉的時間性,而該差異有可能不會於可見未來逆轉;而就可扣減的差異,則限於該差異有可能於未來逆轉)。

所計提的遞延稅項金額,乃按照各資產及負債項目原計劃之使用及償還方式,以其賬面值及於結算日所行通的稅率所計算。遞延稅項資產及負債並未以貼現法計算。

遞延稅項資產之賬面值會於每一個結算日子以評估。只有當資產的應用有可能產生未來的應課稅收益,方會確認為遞延稅項資產。若相關的稅務利益將不可能實現,則遞延稅項資產會相應地被減少至其預期可實現的數額。但如有可能有足夠的稅務利潤,該減值將被回撥。

由於採用這項會計政策,集團本期間的盈利增加5,041,000元(二零零二年:減少2,267,000元);於二零零三年六月三十日淨資產則減少43,981,000元(於二零零二年十二月三十一日:49,022,000元)。

此項新會計政策已于追溯處理,故綜合權益變動表所列報的累計虧損和儲備的期初結餘及比較資料,均已就有關過往期間的受影響數額作出調整。

3. Segmental information

The analysis of the principal activities of the operations of the Company and its subsidiaries during the financial period are as follows:

3. 分類資料

本公司及其附屬公司於本財政期內之主要業務分析如下：

		Discontinued operation 終止經營業務		Continuing operations 持續經營業務								Consolidated 綜合	
		Manufacture and sale of timber products 製造及銷售木材產品		Property investment and development 物業投資及發展		Securities trading 證券買賣		Infrastructure investment and operation 基建投資及營運		Environmental protection investment 環保投資		Six months ended 30 June 截至六月三十日止六個月	
		2003 二零零三年		2002 二零零二年		2003 二零零三年		2002 二零零二年		2003 二零零三年		2002 二零零二年	
		\$'000 千元		\$'000 千元		\$'000 千元		\$'000 千元		\$'000 千元		\$'000 千元	
Revenue from external customers	外界客戶收入	49,270	125,840	6,900	7,589	396	-	1,876	-	-	-	58,442	133,429
Other revenue from external customers	外界客戶其他收入	1,067	5,305	-	11	-	-	9,396	-	-	-	10,463	5,316
Unallocated other revenue	未分配其他收入	-	-	-	-	-	-	-	-	-	-	189	157
Total	合計	<u>50,337</u>	<u>131,145</u>	<u>6,900</u>	<u>7,600</u>	<u>396</u>	<u>-</u>	<u>11,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,094</u>	<u>138,902</u>
Segment results	分類業績	(1,025)	10,123	(16,065)	5,682	(182)	(262)	(21,454)	(3,300)	(813)	-	(39,539)	12,243
Unallocated operating income and expenses	未分配經營收入及開支	-	-	-	-	-	-	-	-	-	-	(7,192)	(8,084)
Finance costs	財務費用	-	-	-	-	-	-	-	-	-	-	(18,920)	(34,254)
Share of net profit before taxation of associates	所佔聯營公司除稅前淨溢利	-	-	5,257	3,955	-	-	38,678	63,304	-	-	43,935	67,259
Share of deficit on revaluation of investment properties of associates	所佔聯營公司投資物業重估虧損	-	-	(21,024)	-	-	-	-	-	-	-	(21,024)	-
Share of profits of jointly controlled entity	所佔合營公司溢利	-	-	-	-	-	-	31,982	351	-	-	31,982	351
Gain on sale of discontinued operation	出售終止經營業務收益	19,576	-	-	-	-	-	-	-	-	-	19,576	-
Taxation	稅項	-	-	-	-	-	-	-	-	-	-	(262)	(10,967)
Minority interests	少數股東權益	-	-	-	-	-	-	-	-	-	-	(268)	(471)
Profit for the period	本期間盈利											<u>8,288</u>	<u>26,077</u>
Depreciation and amortisation for the period	本期間折舊及攤銷	3,975	8,628	1,044	1,043	-	-	3,170	3,296	-	-	-	-
Deficit on revaluation of investment properties	投資物業重估虧損	-	-	21,000	-	-	-	-	-	-	-	-	-
Significant non-cash expenses (other than depreciation and amortisation)	重大非現金開支(折舊及攤銷除外)	-	-	-	-	-	-	29,492	-	-	-	-	-

In view of the fact that the Group operates mainly in the People's Republic of China ("PRC"), no geographical segmental information is presented.

鑑於本集團主要在中華人民共和國(「中國」)營運，故並無呈列按地域劃分之分類資料。

4. Discontinued operation

On 21 March 2003, the Company entered into an agreement with China Everbright Technology Limited (“CE Technology”), an associate of the Group’s ultimate holding company, to dispose of its entire 77.12% interest in Everbright Timber Industry (Shenzhen) Co., Ltd. (“SETI”) representing the manufacture and sale of timber products segment (“the Timber Segment”) for a cash consideration of \$7,000,000. The disposal was completed on 28 March 2003 and the control of the Timber Segment effectively passed to CE Technology on the same date. The gain on sale of the Timber Segment of \$19,576,000 has been credited to the consolidated profit and loss account.

The results of the Timber Segment has been presented in note 3 to the interim financial report.

The cash flows of the Timber Segment for the current period (up to the date of disposal) and previous period were as follows:

Net cash flow

Cash flows operating activities
Cash flows investing activities
Cash flows financing activities

淨現金流量

經營活動之現金流量
投資活動之現金流量
融資活動之現金流量

(5,596)
368
(4,736)

(658)
(1,180)
(471)

4. 終止經營業務

於二零零三年三月二十一日，本公司與中國光大科技有限公司（「光大科技」，本集團最終控股公司之聯營公司）訂立協議，以現金代價7,000,000元出售其於光大木材工業（深圳）有限公司（「光大木材」）之全數77.12%權益。光大木材之業務代表製造及銷售木材產品業務類別（「木材業務類別」）。是項出售交易已於二零零三年三月二十八日完成，而木材業務類別之控制權亦已於同日有效轉移予光大科技。出售木材業務類別所得收益為19,576,000元，並已計入綜合損益表。

木材業務類別之業績載於中期財務報告附註3。

木材業務類別於本期間（截至出售日期止）及過往期間之現金流量如下：

28 March 2003 二零零三年 三月二十八日 \$'000 千元	30 June 2002 二零零二年 六月三十日 \$'000 千元
(5,596)	(658)
368	(1,180)
<u>(4,736)</u>	<u>(471)</u>

5. Profit from ordinary activities before taxation

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

Interest on bank advances and other borrowings wholly repayable within five years	須於五年內全數償還之銀行貸款及其他借貸之利息		
Write back of interest on other borrowings	撥回其他借貸之利息	18,920	34,254
Amortisation of investment in jointly controlled entity	合營公司投資攤銷	(9,379)	-
Amortisation of goodwill	商譽攤銷	2,747	3,296
Depreciation	折舊	115	-
Net loss on sale of fixed assets	出售固定資產虧損淨額	5,538	9,922
Unrealised losses on listed securities in Hong Kong carried at fair value	以公允價值列賬的香港上市證券之未變現虧損	54	38
Provision for diminution in value of other financial assets	其他財務資產減值撥備	-	166
Deficit on revaluation of investment properties	投資物業重估虧損	29,492	-
		<u>21,000</u>	<u>-</u>

6. Taxation

Taxation in the consolidated profit and loss account represents:

Provision for PRC income tax on the estimated taxable profits for the period	中國所得稅按本期間估計應課稅盈利撥備		
Share of associates' taxation	應佔聯營公司稅項	521	510
		(259)	10,457
		<u>262</u>	<u>10,967</u>

No provision for Hong Kong Profits Tax has been made in the interim financial report as the Group sustained a loss for Hong Kong Profits Tax purposes during the period. Taxation for PRC operations is charged at the appropriate current rates of taxation ruling in the PRC.

5. 一般業務除稅前盈利

一般業務除稅前盈利已扣除／(計入)：

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
\$'000	\$'000
千元	千元

		18,920	34,254
		(9,379)	-
		2,747	3,296
		115	-
		5,538	9,922
		54	38
		-	166
		29,492	-
		<u>21,000</u>	<u>-</u>

6. 稅項

綜合損益表之稅項指：

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
\$'000	\$'000
千元	千元

		521	510
		(259)	10,457
		<u>262</u>	<u>10,967</u>

由於本期間內本集團蒙受稅項虧損，故此中期財務報告概無就香港利得稅作出撥備。中國業務之稅項按中國現行的適用稅率計算。

7. Dividend

The directors resolved not to pay an interim dividend for the six months ended 30 June 2003 (2002: Nil).

8. Earnings per share

(a) *Basic earnings per share*

The calculation of earnings per share is based on the profit for the period of \$8,288,000 (2002 (restated): \$26,077,000) and 2,548,311,700 ordinary shares (2002: 2,548,311,700 ordinary shares) in issue during the period.

(b) *Diluted earnings per share*

Diluted earnings per share is not shown as all the potential ordinary shares are anti-dilutive.

9. Fixed assets

At 30 June 2003, fixed assets of the Group included a toll bridge and related infrastructure located in Fuzhou, the PRC with an aggregate net book value of \$592,390,000 (at 31 December 2002: \$Nil). The toll bridge is held by Fuzhou Guang Min Road and Bridge Construction & Development Company Limited ("FZGM"), a subsidiary of the Company. FZGM was previously a jointly controlled entity. Consolidation commenced upon the revision of the co-operative joint venture agreement in May 2003 (note 11).

10. Interest in associates

7. 股息

董事會決議不派發截至二零零三年六月三十日止六個月之中期股息(二零零二年:無)。

8. 每股盈利

(a) 每股基本盈利

每股基本盈利乃按本期間盈利 8,288,000 元(二零零二年(重報): 26,077,000 元), 以及期內已發行 2,548,311,700 股普通股(二零零二年: 2,548,311,700 股普通股) 計算。

(b) 每股攤薄盈利

由於所有潛在普通股均無攤薄影響, 故並無呈列每股攤薄盈利。

9. 固定資產

於二零零三年六月三十日, 本集團之固定資產包括位於中國福州市之收費橋及相關基礎建設, 其賬面總值為 592,390,000 元(二零零二年十二月三十一日: 無)。該收費橋由本公司之附屬公司福州光閩路橋建設開發有限公司(「光閩路橋」) 持有。光閩路橋原先為合營公司。自二零零三年五月修訂合作合營協議後開始綜合處理賬目(附註 11)。

10. 聯營公司權益

	At 30 June 2003 二零零三年 六月三十日	At 31 December 2002 二零零二年 十二月三十一日 (restated) (重報)
	\$'000 千元	\$'000 千元
Unlisted investments		
	非上市投資	
Share of net assets	433,090	410,493
Negative goodwill	(25,135)	-
Amount due from associate	486,909	486,909
	<u>894,864</u>	<u>897,402</u>

Amount due from associate is unsecured, interest free and has no fixed terms of repayment.

應收聯營公司款項為無抵押、免息及無固定還款期。

11. Interest in jointly controlled entity

Pursuant to the original co-operative joint venture agreement, FZGM was established under the laws of PRC to develop, construct, operate and maintain a toll bridge and toll road and related facilities in Fuzhou, the PRC. Greenway Venture Limited (“Greenway”), a subsidiary of the Company and the foreign joint venture partner of FZGM, is committed to contributing to the full amount of the total development and construction costs whilst 福州開發區國有資產營運有限公司 (“the PRC joint venture partner”) will contribute the relevant toll road and toll bridge rights. The Group owns an 80% equity interest in Greenway.

Under the original joint venture agreement and the Articles of Association of FZGM, neither the Group nor the PRC joint venture partner has the required number of representatives in FZGM’s board of directors in order for either one of them to control FZGM. In view of the above, FZGM was considered to be a jointly controlled entity.

In 1999, the construction work of the toll road was suspended as a result of a change in project plan. In view of this change in project plan, the Group negotiated new terms of the co-operation with the PRC joint venture partner. On 26 May 2003, Greenway has entered into a revised co-operative joint venture agreement with the PRC joint venture partner. Pursuant to the revised co-operative joint venture agreement, Greenway controls the composition of FZGM’s board of directors. Accordingly, the investment in FZGM was accounted for in the interim financial report under the equity method up to 25 May 2003 and it has been consolidated into the interim financial report thereafter.

12. Goodwill

Goodwill represents the excess of FZGM’s carrying value on the Group over the Group’s share of the fair value of the identifiable assets and liabilities at the date of revision of co-operative joint venture agreement (note 11). Goodwill mainly arose from the additional investment of \$50 million during the period less accumulated amortisation of the jointly controlled entity up to May 2003 of \$23 million.

Goodwill is amortised to the consolidated profit and loss account on a straight-line basis over the shorter of its estimated useful life and 20 years.

11. 合營公司權益

根據原先的合作合營協議，光閩路橋乃根據中國法律成立，以開發、建造、經營及維修位於中國福州市之一條收費橋樑及收費公路及相關設施。本公司之附屬公司兼光閩路橋外方合營夥伴 Greenway Venture Limited (「Greenway」) 承諾注入全部發展及建造成本，而福州開發區國有資產營運有限公司 (「中方合營夥伴」) 則注入有關收費路橋權利。本集團持有 Greenway 80% 股權。

根據光閩路橋原先的合作合營協議及組織章程細則，本集團及中方合營夥伴於光閩路橋之董事會均無足夠數目之代表，使其中一方能對光閩路橋行使控制權。鑑於上文所述，光閩路橋被視為一間合營公司。

於一九九九年，由於項目計劃之改變，收費公路之建造工程暫時停止。鑑於此項目計劃改變，本集團遂與中方合營夥伴就新的合作條款進行磋商。於二零零三年五月二十六日，Greenway與中方合營夥伴訂立經修訂合作合營協議。據此，Greenway能控制光閩路橋董事會之組成。因此，於中期財務報告內，光閩路橋之投資是按權益法記入至二零零三年五月二十五日為止，其後則綜合計算。

12. 商譽

商譽指本集團持有光閩路橋之賬面值超逾本集團於修訂合作合營協議 (附註11) 當日所佔可分辨資產與負債之公允價值之差額。商譽主要來自期內所作之額外投資50,000,000元，減去合營公司截至二零零三年五月止之累計攤銷23,000,000元。

商譽在綜合損益表內，按直線法在其估計可使用年期或分20年 (以較短者為準) 攤銷。

13. Debtors, other receivables, deposits and prepayments

Included in debtors, other receivables, deposits and prepayments are trade debtors (net of provisions for bad and doubtful debts) with the following ageing analysis:

		At 30 June 2003	At 31 December 2002
		二零零三年 六月三十日	二零零二年 十二月三十一日
		\$'000	\$'000
		千元	千元
Current	流動	1,975	18,469
1 to 6 months overdue	逾期1至6個月	-	35,363
More than 12 months overdue	逾期超過12個月	-	2,060
		<hr/>	<hr/>
Total trade debtors	貿易賬款總額	1,975	55,892
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	8,212	15,911
		<hr/>	<hr/>
		<u>10,187</u>	<u>71,803</u>

Trade debtors at 30 June 2003 represents toll bridge income collected by a management company on behalf of the Group. The amount is settled on a monthly basis.

Trade debtors at 31 December 2002 represents receivables from customers of the Timber Segment. Debts are usually due within 30 days from the date of billing.

13. 應收賬款、其他應收款項、按金及預付款項

應收賬款、其他應收款項、按金及預付款項包括貿易賬款(已扣除呆壞賬撥備),其賬齡分析如下:

於二零零三年六月三十日之貿易賬款指一間管理公司代本集團收取之收費橋收入。有關款項按月支付。

於二零零二年十二月三十一日之貿易賬款指木材業務類別客戶之應收款項。賬款一般於開發賬單日期起計三十日內到期。

14. Creditors, other payables and accrued expenses

Included in creditors, other payables and accrued expenses are trade creditors with the following ageing analysis:

		At 30 June 2003	At 31 December 2002
		二零零三年 六月三十日	二零零二年 十二月三十一日
		\$'000	\$'000
		千元	千元
Due within 1 month or on demand	一個月內到期或按要求	29,376	11,933
Due after 1 month but within 3 months	一個月後但三個月內到期	8,019	8,102
		<hr/>	<hr/>
Total creditors	應付賬款總額	37,395	20,035
Other payables and accrued expenses	其他應付款項及應計費用	35,202	37,330
		<hr/>	<hr/>
		<u>72,597</u>	<u>57,365</u>

14. 應付賬款、其他應付款項及應計費用

應付賬款、其他應付款項及應計費用包括貿易賬款,其賬齡分析如下:

15. Share capital

15. 股本

		No. of shares	Amount
		股份數目	金額
		'000	\$'000
		千股	千元
<i>Issued and fully paid:</i>	已發行及繳足股本：		
At 31 December 2002 and 30 June 2003	於二零零二年十二月三十一日 及二零零三年六月三十日	<u>2,548,312</u>	<u>254,831</u>
At 30 June 2003, the outstanding options of the Company were:			於二零零三年六月三十日，本公司之 尚未行使購股權如下：
Date of options granted	Period during which options exercisable	Exercise price	Number of options outstanding
購股權授出日期	購股權之行使期	行使價	尚未行使購股權數目
			At 30 June
			2003
			二零零三年
			六月三十日
			At 31 December
			2002
			二零零二年
			十二月三十一日
1 November 1997	1 May 1998 to	\$2.23	2,000,000
一九九七年十一月一日	29 September 2003	2.23元	2,000,000
	一九九八年五月一日至		
	二零零三年九月二十九日		

16. Reserves

16. 儲備

		Reserve/ (goodwill) arising on consolidation 綜合賬項 產生之 儲備/ (商譽)	Exchange differences arising on translation 換算產生之 匯兌差額	Capital redemption reserve 資本 贖回儲備	Revaluation reserves of land and buildings 土地及樓宇 之重估儲備	Accumulated losses 累計虧損	Total 總額	
	Share premium 股份溢價	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
At 1 January 2003	於二零零三年 一月一日							
- as previously reported	- 如前呈報	2,817,279	77,307	2,754	70	243	(2,164,893)	732,760
- prior period adjustments in respect of deferred taxation (note 2)	- 有關遞延稅項 之前期調整 (附註2)	-	(19,130)	-	-	-	(29,892)	(49,022)
- as restated	- 已重報	2,817,279	58,177	2,754	70	243	(2,194,785)	683,738
Share of exchange reserve of associates	所佔聯營公司 匯兌儲備	-	-	(33)	-	-	-	(33)
Exchange differences on translation of financial statements of subsidiaries	換算附屬公司 財務報表產生之 匯兌差額	-	-	(1)	-	-	-	(1)
Exchange reserve realised on disposal of subsidiaries	出售附屬公司而變現 之匯兌儲備	-	-	(618)	-	-	-	(618)
Profit for the period	本期間盈利	-	-	-	-	-	8,288	8,288
At 30 June 2003	於二零零三年 六月三十日	<u>2,817,279</u>	<u>58,177</u>	<u>2,102</u>	<u>70</u>	<u>243</u>	<u>(2,186,497)</u>	<u>691,374</u>
At 1 January 2002	於二零零二年 一月一日							
- as previously reported	- 如前呈報	2,817,279	77,307	4,207	70	243	(2,171,666)	727,440
- prior period adjustments in respect of deferred taxation (note 2)	- 有關遞延稅項 之前期調整 (附註2)	-	(19,130)	-	-	-	(26,220)	(45,350)
- as restated	- 已重報	2,817,279	58,177	4,207	70	243	(2,197,886)	682,090
Share of exchange reserve of associates	所佔聯營公司 匯兌儲備	-	-	(1,377)	-	-	-	(1,377)
Exchange differences on translation of financial statements of subsidiaries, associates and jointly controlled entity	換算附屬公司、 聯營公司及 合營公司財務 報表產生之 匯兌差額	-	-	(76)	-	-	-	(76)
Profit for the year (as restated)	本年度盈利 (已重報)	-	-	-	-	-	3,101	3,101
At 31 December 2002	於二零零二年 十二月三十一日	<u>2,817,279</u>	<u>58,177</u>	<u>2,754</u>	<u>70</u>	<u>243</u>	<u>(2,194,785)</u>	<u>683,738</u>

17. Material related party transactions

There were the following material transactions with related parties during the period:

- (a) The Group has the following related party transactions with China Everbright Holdings Company Limited (“CEH”):

Interest expense	利息支出	13,039	20,026
Write back of interest expense	撥回利息支出	9,379	-

17. 與關連人士之重大交易

於本期間內，與關連人士之重大交易如下：

- (a) 本集團與中國光大集團有限公司（「光大集團」）有以下之關連人士交易：

		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
		\$'000	\$'000
		千元	千元
		13,039	20,026
		<u>9,379</u>	<u>-</u>
		At 30 June	At 31 December
		2003	2002
		二零零三年	二零零二年
		六月三十日	十二月三十一日
		\$'000	\$'000
		千元	千元

Guarantees given by CEH to banks in respect of banking facilities extended to a subsidiary of the Company	光大集團就給予本公司附屬公司之銀行融資而給予銀行之擔保	-	306,747
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- (b) On 21 March 2003, the Company entered into an agreement with CE Technology whereby the Company agreed to sell and CE Technology agreed to purchase the entire 100% interests in the share capital of each of Bright Merit Investments Limited and Tung On Assets Limited, which in aggregate held an attributable interest of approximately 77.12% interest in SETI, for a cash consideration of \$7,000,000.
- (c) On Land Limited, a subsidiary of the Company, entered into the following related party transactions with CEH and its subsidiaries:

- (b) 於二零零三年三月二十一日，本公司與光大科技訂立協議。據此，本公司同意出售，而光大科技同意購入 Bright Merit Investments Limited 及 Tung On Assets Limited 兩者全數 100% 權益（彼等合共持有光大木材約 77.12% 應佔權益），現金代價為 7,000,000 元。
- (c) 本公司之附屬公司再倫有限公司與光大集團及其附屬公司訂立之關連人士交易如下：

Rental income for the provision of office premises	提供辦公室物業之租金收入	477	500
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		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
		\$'000	\$'000
		千元	千元
		477	500

17. Material related party transactions (Continued)

- (d) In 1998, FZGM, a subsidiary of the Company, entered into an agreement with a minority shareholder of a Group subsidiary for the construction of a bridge in Fuzhou, the PRC. The contracted sum of the bridge amounted to \$427,000,000 (at 31 December 2002: \$427,000,000) of which \$350,000,000 was paid up to 30 June 2003 (at 31 December 2002: \$350,000,000) in accordance with the progress of construction work. The remaining \$50,000,000 (at 31 December 2002: \$50,000,000) and \$27,000,000 (at 31 December 2002: \$27,000,000) represent FZGM's outstanding commitment in the contract and the construction cost payable to the minority shareholder respectively. In the opinion of the directors of the Company, the transaction was carried out on normal commercial terms and in the ordinary course of business.
- (e) Included in the consolidated balance sheet are the following balances with related parties:

17. 與關連人士之重大交易 (續)

- (d) 於一九九八年，本公司之附屬公司光閩路橋與集團附屬公司之少數股東就建造位於中國福州市之一座橋樑訂立一項協議。該訂約款額為427,000,000元(二零零二年十二月三十一日:427,000,000元)，截至二零零三年六月三十日，已按建造工程進度支付其中350,000,000元(二零零二年十二月三十一日:350,000,000元)。餘下50,000,000元(二零零二年十二月三十一日:50,000,000元)及27,000,000元(二零零二年十二月三十一日:27,000,000元)即為合約中光閩路橋餘下之承擔及應付少數股東之建造費。本公司董事認為，交易在日常業務過程中按一般商業條款進行。
- (e) 包括在綜合資產負債表內有下列與關連人士之結餘：

		At 30 June 2003 二零零三年 六月三十日 \$'000 千元	At 31 December 2002 二零零二年 十二月三十一日 \$'000 千元
Amount due from associate	應收聯營公司款項	486,909	486,909
Amount due from/(to) jointly controlled entity (net)	應收/(應付) 合營公司款項(淨額)	-	361,381
Loans from ultimate holding company	最終控股公司貸款	(645,997)	(645,997)
Loan from associate	聯營公司貸款	-	(18,988)
Amount due to ultimate holding company	應付最終控股公司款項	(67,287)	(77,365)

18. Capital commitments

Capital commitments outstanding at 30 June 2003 not provided for in the interim financial report were as follows:

		At 30 June 2003 二零零三年 六月三十日 \$'000 千元	At 31 December 2002 二零零二年 十二月三十一日 \$'000 千元
Contracted for	已訂約	<u>50,000</u>	<u>801,763</u>

At 30 June 2003, the commitments related to FZGM's commitments to the construction of a bridge.

At 31 December 2002, the commitments related to the Group's commitments to fund FZGM based on the original joint venture agreement.

19. Contingent liabilities

At 30 June 2003, there were contingent liabilities in respect of guarantees given to banks by the Group for its 25% share of banking facilities extended by banks to an associate amounting to \$2,095,000 (at 31 December 2002: \$4,396,000).

20. Pledge of assets

At 30 June 2003, the Group pledged unlisted investments and fixed assets with an aggregate net book value of approximately \$278,433,000 (at 31 December 2002: \$332,708,000) to secure general banking facilities granted to the Group.

21. Comparative figures

Certain comparative figures in the interim financial report have been restated to reflect the change in accounting policy as set out in note 2.

22. Approval of interim financial report

The interim financial report was approved by the board on 25 September 2003.

18. 資本承擔

於二零零三年六月三十日，並無在中期財務報告撥備之資本承擔如下：

		At 30 June 2003 二零零三年 六月三十日 \$'000 千元	At 31 December 2002 二零零二年 十二月三十一日 \$'000 千元
Contracted for	已訂約	<u>50,000</u>	<u>801,763</u>

於二零零三年六月三十日，上述承擔為光岡路橋就建造橋樑之資本承擔。

於二零零二年十二月三十一日，上述承擔為本集團根據原先的合營協議，對光岡路橋之資本承擔。

19. 或有負債

於二零零三年六月三十日，或有負債為本集團就銀行給予其聯營公司之銀行貸款額向銀行作出其應佔25%之擔保2,095,000元（二零零二年十二月三十一日：4,396,000元）。

20. 抵押資產

於二零零三年六月三十日，本集團將總賬面淨值約278,433,000元（二零零二年十二月三十一日：332,708,000元）之非上市投資及固定資產作為本集團之一般銀行融資之抵押品。

21. 比較數字

中期財務報告內之若干比較數字已予以重報，以反映附註2所載會計政策之修訂。

22. 通過中期財務報告

中期財務報告已於二零零三年九月二十五日獲董事會通過。

INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHINA EVERBRIGHT INTERNATIONAL LIMITED

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 18 to 35.

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 the relevant provisions thereof and Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants. 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.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports” issued by the Hong Kong Society of Accountants. A review consists principally of making enquires of group management 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.

KPMG

Certified Public Accountants

Hong Kong, 25 September 2003

獨立審閱報告 致中國光大國際有限公司董事會

引言

我們已審閱 貴公司刊於第18至第35頁的中期財務報告。

董事及核數師的責任

根據《香港聯合交易所有限公司證券上市規則》（「上市規則」），上市公司必須以符合上市規則中相關的規定及香港會計師公會頒佈的《會計實務準則》第25號—「中期財務報告」的規定編製中期財務報告。中期財務報告由董事負責，並由董事核准通過。

我們的責任是根據我們審閱工作的結果，對中期財務報告提出獨立結論，並按照我們雙方所協定的應聘條款，只向作為法人團體的董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱工作

我們是按照香港會計師公會所頒佈的《核數準則》第700號—「中期財務報告的審閱」進行審閱。審閱工作主要包括向集團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運用，賬項編列是否一致；賬項中另有說明的特別情況除外。審閱不包括控制測試及資產、負債和交易驗證等審核程序。由於審閱的範疇較審核小，所給予的保證程度也較審核低；因此，我們不會對中期財務報告發表審核意見。

審閱結論

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的中期財務報告需要作出任何重大的修訂。

畢馬威會計師事務所

執業會計師

香港，二零零三年九月二十五日