

## CHAIRMAN'S STATEMENT

I am pleased to present to shareholders the interim report and condensed consolidated financial statements of Paul Y. - ITC Construction Holdings Limited (the "Company") and its subsidiaries (together with the Company, the "Group") for the six months ended 30th September, 2003. The consolidated income statement and consolidated cash flow statement and consolidated statement of changes in equity of the Group for the six months ended 30th September, 2003, and the consolidated balance sheet of the Group as at 30th September, 2003, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 18 to 31 of this report. This interim report has been reviewed by the Company's audit committee and auditors.

## DIVIDEND

As disclosed on 16th December, 2003, the Group realised HK\$587.8 million in cash through the disposal of 28.75 million ordinary shares of Downer EDI Limited ("Downer"). As a result, the net debt of about HK\$550 million as at 30th September, 2003 was entirely eliminated. Being in a net cash position, the Board considered that it to be the best interest of the shareholders to distribute a special cash dividend. As such, the Board resolved to pay an interim dividend of 1 cent per share and a special dividend of 29 cents per share for the six months ended 30th September, 2003 (2002: 1 cent per share for interim dividend and Nil for special dividend) to shareholders whose names appear on the register of members of the Company as at the close of business on 5th January, 2004. The interim and special dividend are expected to be paid to shareholders by post on or around 3rd February, 2004.

The board of directors of the Company ("Board") also proposed that the above interim and special dividend should be satisfied by cash, with an option to elect scrip dividend of shares in respect of part or all of such dividend, subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be issued. The market value of the shares to be issued under the scrip dividend alternative will be fixed by reference to the average of the closing prices of the Company's shares for the three consecutive trading days ending 5th January, 2004 less a discount of five per cent. of such average price or 70 cents per share, whichever is the higher. A circular giving full details of the scrip dividend alternative and a form of election will be sent to shareholders.

## 主席報告書

本人欣然向股東提呈保華德祥建築集團有限公司(「本公司」)及其附屬公司(連同本公司,統稱「本集團」)截至二零零三年九月三十日止六個月之中期報告及簡明綜合財務報告。本集團截至二零零三年九月三十日止六個月之綜合收益表,綜合現金流動表及綜合股本變動表,以及本集團於二零零三年九月三十日之綜合資產負債表均未經審核及屬簡明性質,並只附載部份說明性之附註,全部載於本報告第18至第31頁。本公司之審核委員會及核數師已審閱本中期報告。

## 股息

如二零零三年十二月十六日所披露,本集團通過出售28,750,000股Downer EDI Limited(「Downer」)普通股份,套現現金587,800,000港元。因此,於二零零三年九月三十日淨債項約550,000,000港元已全數抵銷。呈淨現金狀況下,董事局認為派發特別股息合乎股東最佳利益。因此董事局已決議向於二零零四年一月五日辦公時間結束時名列本公司股東名冊之股東派付截至二零零三年九月三十日止六個月之中期股息每股港幣1仙及特別股息每股港幣29仙(二零零二年:中期股息每股港幣1仙及並無特別股息)。中期股息及特別股息預計於二零零四年二月三日左右以郵寄方式向股東派付。

本公司董事局(「董事局」)並建議,在香港聯合交易所有限公司(「聯交所」)上市委員會批准將予發行之新股上市及買賣之情況下,上述中期股息及特別股息以現金支付,且可選擇以股代息方式派付全部或部份該等股息。根據以股代息建議將予發行之股份之市值將按本公司股份於截至二零零四年一月五日止連續三個交易日之平均收市價減5%之折讓或每股港幣70仙(以較高者為準)而釐定。一份載有以股代息建議全部詳情之通函及選擇表格,將向股東寄發。