



香港藥業

Hong Kong Pharmaceutical Holdings Limited

(Incorporated in Bermuda with limited liability)

香港藥業集團有限公司*

(於百慕達註冊成立之有限公司)

二零零三／二零零四年度中期業績報告

Interim Report 2003/2004

香港藥業集團有限公司(「本公司」)董事會(「董事會」)公佈本公司及其附屬公司(「本集團」)截至二零零三年九月三十日止六個月(「期間」)之未經審核簡明綜合中期業績與二零零二年同期之比較數字。簡明綜合中期財務報表並未經審核，但已由本公司之審核委員會審閱。

The Board of Directors (the “Directors”) of Hong Kong Pharmaceutical Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2003 (the “Period”), together with comparative figures for the corresponding period in 2002. The condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company’s audit committee.

簡明綜合損益表

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		截至九月三十日止六個月		
		For the six months ended 30 September		
		二零零三年	二零零二年	
		2003	2002	
		(未經審核)	(未經審核)	
		(Unaudited)	(Unaudited)	
		千港元	千港元	
		HK\$ '000	HK\$ '000	
	附註			
	Notes			
營業額	TURNOVER	4	60,669	49,806
銷售成本	Cost of sales		(39,348)	(33,545)
毛利	Gross profit		21,321	16,261
其他收入及盈利	Other revenue and gains	4	2,071	2,203
銷售及分銷成本	Selling and distribution costs		(15,710)	(17,866)
行政開支	Administrative expenses		(12,930)	(14,513)
其他經營支出	Other operating expenses		(1,213)	(13,358)
經營業務虧損	LOSS FROM OPERATING ACTIVITIES	5	(6,461)	(27,273)
融資成本	Finance costs	6	(3,325)	(3,527)
除稅前虧損	LOSS BEFORE TAX		(9,786)	(30,800)
稅項	Tax	7	(1)	(1)
未計少數股東權益前虧損	LOSS BEFORE MINORITY INTERESTS		(9,787)	(30,801)
少數股東權益	Minority interests		1,455	7,608
股東應佔日常業務虧損淨額	NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		(8,332)	(23,193)
每股虧損－基本	LOSS PER SHARE – BASIC	9	(0.59) 仙 cents	(1.68) 仙 cents

* 僅供識別用途

* For identification purpose only

簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

			二零零三年 九月三十日 30 September 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 三月三十一日 31 March 2003 (經審核) (Audited) 千港元 HK\$'000
		附註 Notes		
非流動資產	NON-CURRENT ASSETS			
固定資產	Fixed assets		116,957	120,411
無形資產	Intangible assets		13,180	13,566
商譽	Goodwill		13,971	14,528
於聯營公司之權益	Interests in associates		583	583
長期投資	Long term investments		1,175	1,175
			<u>145,866</u>	<u>150,263</u>
流動資產	CURRENT ASSETS			
存貨	Inventories		21,635	18,556
應收貿易賬款	Trade receivables	10	8,366	4,669
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables		22,981	21,506
應收中間控股公司 款項	Due from intermediate holding companies	11	13,000	13,378
短期投資	Short term investments		3,623	2,720
現金及現金等值項目	Cash and cash equivalents		36,498	38,844
			<u>106,103</u>	<u>99,673</u>
流動負債	CURRENT LIABILITIES			
應付貿易賬款及票據	Trade and bills payables	12	24,466	22,034
應付稅項	Tax payable		651	651
其他應付款項及 應計款項	Other payables and accruals		51,456	47,008
銀行及其他借款	Bank and other borrowings	13	147,347	137,628
撥備	Provision		–	115
			<u>223,920</u>	<u>207,436</u>
流動負債淨額	NET CURRENT LIABILITIES		<u>(117,817)</u>	<u>(107,763)</u>
資產總值減 流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		28,049	42,500
非流動負債	NON-CURRENT LIABILITIES			
銀行及其他借款	Bank and other borrowings	13	14,834	19,453
融資租賃應付款項	Finance lease payables		69	114
撥備	Provision		536	536
			<u>15,439</u>	<u>20,103</u>
少數股東權益	MINORITY INTERESTS		<u>12,476</u>	<u>13,931</u>
			<u>134</u>	<u>8,466</u>
股本及儲備	CAPITAL AND RESERVES			
已發行股本	Issued capital	14	140,379	140,379
儲備	Reserves	15	(140,245)	(131,913)
			<u>134</u>	<u>8,466</u>

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

		截至九月三十日止六個月	
		For the six months	
		ended 30 September	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		千港元	千港元
		HK\$'000	HK\$'000
於四月一日之股東 權益總額	Total shareholders' equity at 1 April	8,466	65,377
股東應佔日常業務 虧損淨額	Net loss from ordinary activities attributable to shareholders	(8,332)	(23,193)
發行股份，包括 股份溢價	Issue of shares, including share premium	—	352
於九月三十日之 股東權益總額	Total shareholders' equity at 30 September	<u>134</u>	<u>42,536</u>

簡明綜合現金流量表

CONDENSED CONSOLIDATED CASH FLOW
STATEMENT

		截至九月三十日止六個月 For the six months ended 30 September	
		二零零三年 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零二年 2002 (未經審核) (Unaudited) 千港元 HK\$'000
經營業務之 現金流出淨額	NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(3,960)	(12,730)
投資活動之現金 流出淨額	NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,297)	(2,441)
融資活動之現金 流入／(流出) 淨額	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	<u>2,911</u>	<u>(1,664)</u>
現金及現金 等值項目減少	DECREASE IN CASH AND CASH EQUIVALENTS	(2,346)	(16,835)
期初之現金及 現金等值項目	Cash and cash equivalents at beginning of period	<u>8,844</u>	<u>25,057</u>
期末之現金及 現金等值項目	CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>6,498</u></u>	<u><u>8,222</u></u>
現金及現金等值 項目結餘分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
現金及銀行存款	Cash and bank balances	6,498	5,178
少於三個月到期 之定期存款	Time deposits with original maturity of less than three months when acquired	<u>—</u>	<u>3,044</u>
		<u><u>6,498</u></u>	<u><u>8,222</u></u>

未經審核簡明綜合中期財務表附註

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. 編列基準

於二零零三年九月三十日，本集團的綜合流動負債淨額約117,817,000港元(二零零三年三月三十一日：107,763,000港元)，而綜合資產淨值約134,000港元(二零零三年三月三十一日：8,466,000港元)。於期間內，本集團之股東應佔日常業務虧損淨額約為8,332,000港元(二零零二年：23,193,000港元)，而現金及現金等值項目減少約2,346,000港元(二零零二年：16,835,000港元)。

於截至二零零三年三月三十一日止之前財政年度及截至批准本未經審核簡明綜合中期財務報表當日，本集團未能償還若干銀行貸款及其他借款。本集團已與銀行及其他貸款人展開商議，務求就其銀行及其他借款安排債務重組及／或再融資(「債務重組安排」)。截至批准本未經審核簡明綜合中期財務報表當日，關於債務重組安排之若干固定條款或具有約束力之協議已達成或已簽訂，其他詳情如下。

與銀行及其他貸款人之債務重組安排條款詳情如下：

- (a) 按本公司之全資附屬公司—華宏有限公司(「華宏」)及新華銀行有限公司，現稱中國銀行(香港)有限公司(「該銀行」)於二零零零年三月二十九日訂立之貸款協議條款第7條，一筆約3,999,000港元之分期還款已於二零零三年四月二十七日到期。華宏未能償還該期款項。按前述貸款協議條款第17條，若未能償還款項，該銀行可宣佈根據貸款協議應付之餘額合共約39,987,000港元為立即到期及須予支付。華宏其後與該銀行商討，首先放棄其於前述條款第17條之權利，其次把該期還款及於二零零四年四月二十七日期之另一期還款，金額約為7,997,000港元，延期至二零零四年六月三十日。由於商討延期事宜尚未得到該銀行同意，貸款餘額約39,987,000港元已變成立即到期及須予支付，故此，其於資產負債表列作流動負債。

1. BASIS OF PRESENTATION

At 30 September 2003, the Group had consolidated net current liabilities of approximately HK\$117,817,000 (31 March 2003: HK\$107,763,000) and consolidated net assets of approximately HK\$134,000 (31 March 2003: HK\$8,466,000). The Group also incurred a net loss from ordinary activities attributable to shareholders for the Period of approximately HK\$8,332,000 (2002: HK\$23,193,000) and reported a decrease in cash and cash equivalents for the Period of approximately HK\$2,346,000 (2002: HK\$16,835,000).

During the previous financial year ended 31 March 2003 and up to the date of approval of these unaudited condensed consolidated interim financial statements, the Group defaulted on the repayments of certain bank and other borrowings. The Group has initiated discussions with the banks and other lenders with a view to arranging a rescheduling and/or refinancing of its bank and other borrowings (the "Debt Restructuring Arrangements"). Up to the date of approval of these unaudited condensed consolidated interim financial statements, certain fixed terms or binding agreements in respect of the Debt Restructuring Arrangements have been agreed upon or executed as further explained below.

The details of the terms of the Debt Restructuring Arrangements with banks and other lenders are as follows:

- (a) Pursuant to clause 7 of the loan agreement dated 29 March 2000 entered into between China Vantage Limited ("China Vantage"), a wholly-owned subsidiary of the Company, and Sin Hua Bank Limited, now known as Bank of China (Hong Kong) Limited (the "Bank"), an instalment repayment of approximately HK\$3,999,000 was due on 27 April 2003. China Vantage defaulted on the repayment of such instalment. In accordance with clause 17 of the aforementioned loan agreement, in the event of default, the Bank can declare the total outstanding sum payable under the loan agreement of approximately HK\$39,987,000 as immediately due and payable. China Vantage has subsequently been negotiating with the Bank firstly, to waive its rights under clause 17 and secondly, to defer the repayment of such instalment, together with another instalment, amounting to approximately HK\$7,997,000 that falls due on 27 April 2004, to 30 June 2004. As the negotiation to obtain the extension has not yet been agreed by the Bank, the total loan balance of approximately HK\$39,987,000 becomes immediately due and payable and, accordingly, it is classified as a current liability in the balance sheet.

1. 編列基準 (續)

- (b) 根據本公司於二零零零年四月二十七日發行予該銀行之40,000,000港元可換股票據(「票據」)條款第5(a)條，第二及第三期還款本金額2,000,000港元及4,000,000港元已分別於二零零三年四月二十七日及二零零三年十月二十七日到期。本公司亦未償還該兩期款項。根據票據條款第10條，若發生拖欠事件，該銀行可宣佈票據當時應付之餘額共38,000,000港元為立即到期並須予支付。本公司其後與該銀行商討，首先放棄其根據前述條款第10條之權利，其次把第二及第三期還款及於二零零四年四月二十七日到期，金額為4,000,000港元之第四期還款延期至二零零四年六月三十日。由於商討延期事宜尚未得到該銀行同意，合共38,000,000港元之餘額已變成立即到期及須予支付，故此，其於資產負債表列作流動負債。
- (c) 於二零零三年十月二十九日，本公司之附屬公司一上海華新生物高技術有限公司(「華新」)未能償還欠負深圳發展銀行有限公司(「深圳發展銀行」)共約28,200,000港元之全數貸款。於二零零三年十月三十一日，深圳發展銀行已書面同意，批准把還款期順延至二零零四年五月八日。
- (d) 於二零零三年十一月十一日，華新未能償還向上海銀行股份有限公司(「上海銀行」)取得之全數貸款金額約7,520,000港元。於二零零三年十一月十一日、十二日及二十日，未償還金額已由華新及上述貸款之擔保人一深圳市緯基投資發展有限公司(「深圳緯基」)分別償還978,000港元及6,542,000港元。
- (e) 本公司於過往年度就收購一間國內附屬公司向獨立第三者發行12,254,400港元之另一批可換股票據(「其他票據」)。按照其他票據之條款，於二零零三年三月三十日，票據持有人有權要求本公司贖回其他票據本金額三分之一約4,085,000港元；或行使換股權以兌換同等金額之本公司新普通股。於二零零四年三月三十日，票據持有人將有權要求本公司贖回其他票據餘下本金額三分之二約8,169,000港元；或行使換股權以兌換同等金額之本公司新普通股。於二零零三年十一月二十日，其他票據持有人已書面向本公司表示同意，把第一期本金額約4,085,000港元之贖回日期順延至二零零四年四月一日。於二零零三年九月三十日，此兩項金額將會於一年內償還，故此，其於資產負債表列作流動負債。

1. BASIS OF PRESENTATION (continued)

- (b) Pursuant to clause 5(a) of the HK\$40,000,000 convertible note (the "Note") issued by the Company in favour of the Bank on 27 April 2000, the second and third instalment repayments of the principal amount of HK\$2,000,000 and HK\$4,000,000 fell due on 27 April 2003 and 27 October 2003, respectively. The Company defaulted on the repayments of both instalments. In accordance with clause 10 of the Note, in the event of default, the Bank can declare the then total outstanding sum payable under the Note of HK\$38,000,000 as immediately due and payable. The Company has subsequently been negotiating with the Bank firstly, to waive its rights under clause 10 and secondly, to defer the repayments of the second and third instalments, together with the fourth instalment, amounting to HK\$4,000,000 that falls due on 27 April 2004, to 30 June 2004. As the negotiation to obtain the extension has not yet been agreed by the Bank, the total balance of HK\$38,000,000 is immediately due and payable and, accordingly, it is classified as a current liability in the balance sheet.
- (c) On 29 October 2003, Shanghai Hua Xin High Biotechnology Inc. ("Hua Xin"), a subsidiary of the Company, defaulted on the full repayment of a loan from Shenzhen Development Bank Co., Ltd. ("Shenzhen Dev. Bank"), amounting to approximately HK\$28,200,000. On 31 October 2003, Shenzhen Dev. Bank agreed, in writing, its approval to defer the repayment to 8 May 2004.
- (d) On 11 November 2003, Hua Xin defaulted on the full repayment of a loan from the Bank of Shanghai Co., Ltd. ("Bank of Shanghai"), amounting to approximately HK\$7,520,000. On 11, 12 and 20 November 2003, the defaulted amount was fully repaid by Hua Xin and the guarantor of the aforementioned loan, Shenzhen Weiji Investment & Development Co., Ltd. ("Shenzhen Weiji"), amounting to HK\$978,000 and HK\$6,542,000, respectively.
- (e) The Company has issued HK\$12,254,400 of other convertible notes (the "Other Notes") to independent third parties in prior years as a consideration for the acquisition of a subsidiary in Mainland China. According to the terms of the Other Notes, on 30 March 2003, the noteholders were entitled to require the Company to redeem one-third of the principal amounts of the Other Notes amounting to approximately HK\$4,085,000; or exercise the conversion rights to convert the same amounts into new ordinary shares of the Company. On 30 March 2004, the noteholders would then be entitled to require the Company to redeem the remaining two-thirds of the principal amounts of the Other Notes amounting to approximately HK\$8,169,000; or to exercise the conversion rights to convert the same amounts into new ordinary shares of the Company. On 20 November 2003, the holders of the Other Notes agreed, in writing, with the Company to defer the redemption of the first instalment of the principal amounts of approximately HK\$4,085,000 to 1 April 2004. As at 30 September 2003, both amounts will be repayable within one year, and, accordingly, they are classified as current liabilities in the balance sheet.

1. 編列基準 (續)

- (f) 於二零零三年九月三十日，華新未能償還於本期間內及過往年度到期之若干其他貸款，金額約9,174,000港元。於未償還其他貸款中，貸款餘額1,927,000港元之貸款人已書面同意，批准把還款期順延至二零零四年十二月三十一日。由於貸款延期之安排，餘款1,927,000港元將不會於一年內償還，故此，於資產負債表列作非流動負債。
- (g) 於二零零三年九月三十日，華新有合共約8,581,000港元之其他貸款，原於二零零三年十二月三十一日到期。該等其他貸款之貸款人已書面同意，批准把還款期順延至二零零四年十二月三十一日。由於貸款延期之安排，餘額8,581,000港元將不會於一年內償還，故此，於資產負債表列作非流動負債。
- (h) 本公司之附屬公司貴州一樹醫藥有限公司(「一樹醫藥」)有其他貸款金額約2,820,000港元，於二零零三年六月九日到期。於二零零三年三月三十一日，該等其他貸款之貸款人已書面同意，批准把還款期順延至二零零四年十二月三十一日。由於此項延期之安排，此金額將不會於一年內償還，故此，其於資產負債表列作非流動負債。

董事以持續經營基準編製本簡明綜合中期財務報表，由於彼等相信：

- (a) 本集團之銀行及其他貸款人將繼續提供財務支持；
- (b) 將有獨立第三者投入新資金；及
- (c) 本集團將有足夠營運資金應付其營運所需。

倘本集團未能達成上述各點及以持續經營基準繼續營業，資產價值須作調整以將之重列為可收回金額，對可能產生之任何其他負債提供撥備，以及把非流動資產及負債分別重列為流動資產及負債。

1. BASIS OF PRESENTATION (continued)

- (f) As at 30 September 2003, Hua Xin defaulted on the repayments of certain other loans, amounting to approximately HK\$9,174,000, that were due both during the current period and prior years. Amongst the defaulted other loans, the lenders of loan balances of HK\$1,927,000 agreed, in writing, their approval to defer the repayments to 31 December 2004. As a result of the loan extension arrangements, the balances of HK\$1,927,000 will not be repayable within one year and, accordingly, are classified as non-current liabilities in the balance sheet.
- (g) As at 30 September 2003, Hua Xin had other loans amounting to approximately HK\$8,581,000, originally falling due on 31 December 2003. The lenders of such other loans agreed, in writing, their approval to defer the repayments to 31 December 2004. As a result of the loan extension arrangements, the balances of HK\$8,581,000 will not be repayable within one year and, accordingly, are classified as non-current liabilities in the balance sheet.
- (h) Guizhou Ensure Medical Company Limited (“Ensure Medical”), a subsidiary of the Company, had an other loan amounting to approximately HK\$2,820,000 falling due on 9 June 2003. On 31 March 2003, the lender of such other loan agreed, in writing, its approval to defer the repayment to 31 December 2004. As a result of this extension arrangement, this amount will not be repayable within one year and, accordingly, it is classified as a non-current liability in the balance sheet.

The directors have prepared these condensed consolidated interim financial statements on a going concern basis as they believe that:

- (a) there will be continuing financial support from the Group's banks and other lenders;
- (b) there will be new capital injected by independent third parties; and
- (c) the Group will have sufficient working capital for its operational requirements.

Should the Group be unable to achieve the above and continue in business as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2. 會計政策

本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25號「中期財務報告」及香港聯合交易所有限公司證券上市規則附錄16編製。

編製本簡明綜合中期財務報表所採納之會計政策與截至二零零三年三月三十一日止年度之全年經審核財務報表所採用者相同，惟本集團於採納下列由香港會計師公會頒佈之經修訂會計實務準則及詮釋後更改其若干會計政策。有關會計實務準則及詮釋於編製本期間之簡明綜合中期財務報表時首次生效：

- 會計實務準則第12號（經修訂）：「所得稅」
- 詮釋第20項：「所得稅－已重估非折舊資產之回收」

其主要影響之概要如下：

會計實務準則第12號訂明本期間之應課稅溢利或虧損所引致之應付或可收回所得稅（即期稅項），以及未來期間主要由應課稅及可抵扣之暫時性差異及結轉之未動用稅項虧損（遞延稅項）所產生之應付或可收回所得稅之會計方法。該會計實務準則對本集團本會計期間或過往會計期間的業績並無重大影響，因此毋須作出前期調整。

詮釋20規定因重估若干非折舊資產及投資物業而產生之遞延稅項資產或負債，乃按於透過出售該項資產而收回其賬面金額後將產生之稅務後果計算。本集團在根據會計實務準則第12號計算遞延稅項時，已就其投資物業重估事宜應用此項政策。

2. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) No. 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies used in the preparation of the condensed consolidated interim financial statements are the same as those used in the annual audited financial statements for the year ended 31 March 2003, except that the Group has changed certain of its accounting policies following the adoption of the following revised SSAP and Interpretation issued by the Hong Kong Society of Accountants which are effective for the first time in the preparation of the current period’s condensed consolidated interim financial statements:

- SSAP 12 (Revised): “Income taxes”
- Interpretation 20: “Income taxes – Recovery of revalued non-depreciable assets”

A summary of their major effects is as follows:

SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax). The SSAP has had no significant impact on the Group’s results for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

Interpretation 20 requires that a deferred tax asset or liability that arises from the revaluation of certain non-depreciable assets and investment properties is measured based on the tax consequences that would follow from the recovery of the carrying amount of that asset through sale. This policy has been applied by the Group in respect of the revaluation of its investment properties in the deferred tax calculated under SSAP 12.

3. 分類資料

下表呈列本集團截至九月三十日止六個月按業務分類之收入及業績，及按地區分類之收入之分析：

(a) 業務分類

分類收入：	Segment revenue:												
售予對外客戶	Sales to external customers	49,734	45,370	9,136	2,471	1,200	1,194	599	771	-	-	60,669	49,806
業務分類間之銷售額	Intersegment sales	90	144	-	-	-	-	-	-	(90)	(144)	-	-
其他收入	Other revenue	320	432	173	383	-	-	-	-	-	-	493	815
總額	Total	<u>50,144</u>	<u>45,946</u>	<u>9,309</u>	<u>2,854</u>	<u>1,200</u>	<u>1,194</u>	<u>599</u>	<u>771</u>	<u>(90)</u>	<u>(144)</u>	<u>61,162</u>	<u>50,621</u>
分類業績	Segment results	<u>241</u>	<u>(6,310)</u>	<u>(3,123)</u>	<u>(11,162)</u>	<u>1,056</u>	<u>1,088</u>	<u>(6,213)</u>	<u>(7,821)</u>			<u>(8,039)</u>	<u>(24,205)</u>
利息及股息之收入	Interest and dividend income											675	1,253
不予分配之收入及盈利	Unallocated revenue and gains											903	135
不予分配之開支	Unallocated expenses											-	(4,456)
經營業務虧損	Loss from operating activities											(6,461)	(27,273)
融資成本	Finance costs											(3,325)	(3,527)
除稅前虧損	Loss before tax											(9,786)	(30,800)
稅項	Tax											(1)	(1)
未計少數股東權益前虧損	Loss before minority interests											(9,787)	(30,801)
少數股東權益	Minority interests											1,455	7,608
股東應佔日常業務虧損淨額	Net loss from ordinary activities attributable to shareholders											<u>(8,332)</u>	<u>(23,193)</u>

(b) 地區分類

分類收入：	Segment revenue:						
售予對外客戶	Sales to external customers	24,090	26,740	36,579	23,066	60,669	49,806

3. SEGMENT INFORMATION

The following tables present the Group's revenue and results analysed by business segments and revenue by geographical segments for the six months ended 30 September:

(a) Business segments

參茸及藥品 Sum yung and pharmaceutical products (未經審核) (Unaudited)	生物科技及轉基因製品 Biotechnological and transgenic products (未經審核) (Unaudited)	物業投資 Property investment (未經審核) (Unaudited)	企業及其他 Corporate and others (未經審核) (Unaudited)	抵銷 Eliminations (未經審核) (Unaudited)	綜合 Consolidated (未經審核) (Unaudited)						
2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
49,734	45,370	9,136	2,471	1,200	1,194	599	771	-	-	60,669	49,806
90	144	-	-	-	-	-	-	(90)	(144)	-	-
320	432	173	383	-	-	-	-	-	-	493	815
<u>50,144</u>	<u>45,946</u>	<u>9,309</u>	<u>2,854</u>	<u>1,200</u>	<u>1,194</u>	<u>599</u>	<u>771</u>	<u>(90)</u>	<u>(144)</u>	<u>61,162</u>	<u>50,621</u>
<u>241</u>	<u>(6,310)</u>	<u>(3,123)</u>	<u>(11,162)</u>	<u>1,056</u>	<u>1,088</u>	<u>(6,213)</u>	<u>(7,821)</u>			<u>(8,039)</u>	<u>(24,205)</u>
										675	1,253
										903	135
										-	(4,456)
										(6,461)	(27,273)
										(3,325)	(3,527)
										(9,786)	(30,800)
										(1)	(1)
										(9,787)	(30,801)
										1,455	7,608
										<u>(8,332)</u>	<u>(23,193)</u>

(b) Geographical segments

香港 Hong Kong (未經審核) (Unaudited)	中國 Mainland China (未經審核) (Unaudited)	綜合 Consolidated (未經審核) (Unaudited)			
2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
24,090	26,740	36,579	23,066	60,669	49,806

4. 營業額、其他收入及盈利

營業額指期間內出售貨品之發票淨值(扣除退貨及營業折扣準備)、已提供服務之價值、及投資物業已收及應收租金總收入。

營業額、其他收入及盈利分析如下：

營業額	Turnover
參茸及藥品之銷售	Sale of sum yung and pharmaceutical products
生物科技及轉基因製品之銷售	Sale of biotechnological and transgenic products
物業投資—租金總收入	Property investment – gross rental income
其他	Others
其他收入及盈利	Other revenue and gains
利息收入	Interest income
股息收入	Dividend income
其他	Others

4. TURNOVER, OTHER REVENUE AND GAINS

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts; the value of services rendered; and gross rental income received and receivable from investment properties during the Period.

An analysis of turnover, other revenue and gains is as follows:

截至九月三十日止六個月	
For the six months ended 30 September	
二零零三年	二零零二年
2003	2002
(未經審核)	(未經審核)
(Unaudited)	(Unaudited)
千港元	千港元
HK\$'000	HK\$'000
49,734	45,370
9,136	2,471
1,200	1,194
599	771
<u>60,669</u>	<u>49,806</u>
598	1,092
77	161
1,396	950
<u>2,071</u>	<u>2,203</u>

5. 經營業務虧損

本集團之經營業務虧損已扣除／(計入)下列項目：

出售存貨之成本	Cost of inventories sold
折舊	Depreciation
商譽攤銷	Amortisation of goodwill
技術知識攤銷	Amortisation of know-how
無形資產減值虧損	Impairment loss of intangible asset
重估短期上市投資未變現(盈利)／虧損	Unrealised (gain)/loss on revaluation of short term listed investments

5. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

截至九月三十日止六個月	
For the six months ended 30 September	
二零零三年	二零零二年
2003	2002
(未經審核)	(未經審核)
(Unaudited)	(Unaudited)
千港元	千港元
HK\$'000	HK\$'000
39,110	33,201
3,933	5,982
557	755
548	1,216
403	1,300
(903)	3,161

6. 融資成本

須於五年內悉數
償還之銀行貸款及
其他借款之利息
融資租賃之利息

Interest on bank loans and other
borrowings wholly repayable within
five years
Interest on finance leases

截至九月三十日止六個月 For the six months ended 30 September	
二零零三年 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零二年 2002 (未經審核) (Unaudited) 千港元 HK\$'000
3,311	3,512
14	15
<u>3,325</u>	<u>3,527</u>

7. 稅項

由於本集團於期間內在香港並無重大估計應課稅溢利，故並無就香港利得稅作出撥備(二零零二年：無)。其他地區之應課稅溢利乃按本集團經營所在地之現行稅率及根據其現有之法例、詮釋及慣例計算。

由於本集團於期間並無任何重大未撥備遞延稅項負債，而且未能確定是否可收回有關稅務虧損及其他可抵扣之暫時性差異之潛在遞延稅項資產，故並無確認遞延稅項。

8. 中期股息

董事會不建議派發截至二零零三年九月三十日止六個月之中期股息(二零零二年：無)。

9. 每股虧損

每股基本虧損乃根據期間內股東應佔日常業務虧損淨額約8,332,000港元(二零零二年：23,193,000港元)及於期間內已發行普通股之加權平均數1,403,796,698股(二零零二年：1,383,629,485股)計算。

由於此等期間內假設行使本公司之購股權及可換股票據有反攤薄影響，故並無呈列截至二零零三年及二零零二年九月三十日止六個月內之每股攤薄虧損。

10. 應收貿易賬款

本集團給予中藥及其他藥物，健康產品及海味之客戶之信貸期為30至90天。給予生物科技及醫葯製品之客戶之信貸期為60至180天。

6. FINANCE COSTS

7. TAX

No Hong Kong profits tax has been provided for because the Group had no significant estimated assessable profits arising in Hong Kong during the Period (2002: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

No recognition of deferred tax has been made as the Group did not have any significant unprovided deferred tax liabilities in respect of the Period, and the recoverability of the potential deferred tax assets relating to tax losses and other deductible temporary differences is uncertain.

8. INTERIM DIVIDEND

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

9. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the Period of approximately HK\$8,332,000 (2002: HK\$23,193,000) and the weighted average number of 1,403,796,698 (2002: 1,383,629,485) ordinary shares in issue during the Period.

Diluted loss per share amounts for the six months ended 30 September 2003 and 2002 have not been presented because the effects of the assumed conversion of the share options and convertible notes of the Company during these periods were anti-dilutive.

10. TRADE RECEIVABLES

The Group's credit terms granted to customers of Chinese and other medicines, health products and dried seafoods range between 30 and 90 days. The credit terms granted to customers of biotechnological and pharmaceutical products range between 60 and 180 days.

10. 應收貿易賬款(續)

於結算日應收貿易賬款扣除撥備後之淨額之賬齡分析如下：

3個月內	Within 3 months
4至6個月	4 to 6 months
7至12個月	7 to 12 months
13至24個月	13 to 24 months
超過24個月	Over 24 months

10. TRADE RECEIVABLES (continued)

An aged analysis of the trade receivables as at the balance sheet date, net of provisions, is as follows:

二零零三年 九月三十日 30 September 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 三月三十一日 31 March 2003 (經審核) (Audited) 千港元 HK\$'000
7,170	4,117
672	109
305	407
195	11
24	25
<u>8,366</u>	<u>4,669</u>

11. 應收中間控股公司款項

- (a) 應收Tin Ming Management Limited (「Tin Ming」) 之11,792,000港元(包括利息款項約1,184,000港元)(二零零三年三月三十一日：11,472,000港元，包括利息款項約864,000港元)並無抵押，年息為港元最優惠利率加1厘及須於二零零四年三月三十一日或之前償還。
- (b) 應收Hong Tau Investment Ltd. (「Hong Tau」) 之款項為1,208,000港元(二零零三年三月三十一日：1,906,000港元)為無抵押，不計利息及須於二零零四年三月三十一日或之前償還。

11. DUE FROM INTERMEDIATE HOLDING COMPANIES

- (a) The amount of HK\$11,792,000 (including interest amounting to approximately HK\$1,184,000) (31 March 2003: HK\$11,472,000, including interest amounting to approximately HK\$864,000) due from Tin Ming Management Limited ("Tin Ming") is unsecured, bearing interest at Hong Kong dollar prime rate plus 1% per annum and is repayable on or before 31 March 2004.
- (b) The amount of HK\$1,208,000 (31 March 2003: HK\$1,906,000) due from Hong Tau Investment Ltd. ("Hong Tau") is unsecured, interest-free and is repayable on or before 31 March 2004.

12. 應付貿易賬款及票據

於結算日應付貿易賬款及票據之賬齡(以發票日期為基準)分析如下：

3個月內	Within 3 months
4至6個月	4 to 6 months
7至12個月	7 to 12 months
13至24個月	13 to 24 months
超過24個月	Over 24 months

12. TRADE AND BILLS PAYABLES

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

二零零三年 九月三十日 30 September 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 三月三十一日 31 March 2003 (經審核) (Audited) 千港元 HK\$'000
10,860	9,401
3,490	4,618
2,853	362
429	854
6,834	6,799
<u>24,466</u>	<u>22,034</u>

13. 銀行及其他借款

13. BANK AND OTHER BORROWINGS

			二零零三年 九月三十日 30 September 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 三月三十一日 31 March 2003 (經審核) (Audited) 千港元 HK\$'000
		附註 Notes		
(a)	(a)			
銀行及其他借款之即期部份	Current portion of bank and other borrowings	(b)	147,240	137,507
應付融資租賃之即期部份	Current portion of finance lease payables		107	121
			<u>147,347</u>	<u>137,628</u>
(b)	(b)			
信託收據貸款，有抵押	Trust receipts loans, secured		1,706	1,976
銀行貸款：	Bank loans:			
有抵押	Secured	(i)	50,327	47,507
無抵押	Unsecured	(ii)	31,960	31,020
			<u>83,993</u>	<u>80,503</u>
可換股票據：	Convertible notes:			
銀行可換股票據，有抵押	Bank convertible note, secured		38,000	38,000
其他可換股票據，無抵押	Other convertible notes, unsecured		12,254	12,254
			<u>50,254</u>	<u>50,254</u>
其他貸款，無抵押	Other loans, unsecured	(iii),(iv),(v)	27,827	26,203
			<u>162,074</u>	<u>156,960</u>
相等於：	Represented by:			
須償還之銀行及信託 收據貸款：	Bank and trust receipts loans repayable:			
須於一年內或按通知 即時償還	Within one year or on demand		83,993	80,503
須償還之可換股票據：	Convertible notes repayable:			
須於一年內或按通知 即時償還	Within one year or on demand		50,254	46,169
於第二年	In the second year		—	4,085
			<u>50,254</u>	<u>50,254</u>
須償還之其他貸款：	Other loans repayable:			
須於一年內或按通知 即時償還	Within one year or on demand		12,993	10,835
於第二年	In the second year		14,834	15,368
			<u>27,827</u>	<u>26,203</u>
銀行及其他借款總計	Total bank and other borrowings		162,074	156,960
列作流動負債之部份	Portion classified as current liabilities	(a)	(147,240)	(137,507)
長期部份	Long term portion		<u>14,834</u>	<u>19,453</u>

13. 銀行及其他借款(續)

附註：

(i) 於期間內，華新向上海銀行取得銀行貸款，金額約為2,820,000港元，用作營運資金。銀行貸款之利率為年息5.84厘及須於二零零四年四月二十九日償還。銀行貸款乃由華新於結算日賬面值約44,693,000港元之房產及一家由本公司董事孫曉路先生為其董事及股東之公司—深圳緯基提供企業擔保作抵押。進一步詳情載於簡明綜合中期財務報表附註20(e)。

(ii) 於期間內，貴州一樹連鎖藥業有限公司(「一樹連鎖」)向中國建設銀行取得銀行貸款，金額約為940,000港元，用作營運資金。銀行貸款之年利率為6.37厘，無抵押及須於二零零四年七月二十二日償還。

(iii) 於結算日，無抵押其他貸款包括約17,755,000港元(二零零三年三月三十一日：17,915,000港元)、6,878,000港元(二零零三年三月三十一日：5,468,000港元)及3,194,000港元(二零零三年三月三十一日：2,820,000港元)分別屬於華新、一樹連鎖及一樹醫藥。

(iv) 華新之無抵押其他貸款包括應付予華新之一位董事、深圳緯基、揚州市能源交通投資公司(「揚州能源」)及華新之一位前股東款項分別約為2,256,000港元(二零零三年三月三十一日：2,256,000港元)、4,089,000港元(二零零三年三月三十一日：6,082,000港元)、2,820,000港元(二零零三年三月三十一日：2,820,000港元)及2,820,000港元(二零零三年三月三十一日：2,820,000港元)。而餘額約5,770,000港元(二零零三年三月三十一日：3,937,000港元)則應付予第三者。應付予華新董事之貸款中約470,000港元乃不計利息，而餘額之年利率為7厘。應付予深圳緯基之貸款中約291,000港元乃不計利息，而餘額之年利率為7厘。應付予揚州能源及華新之前股東貸款之年利率均為6厘。應付予第三者之其他貸款之年利率為5.8厘至10厘。向深圳緯基及揚州能源取得貸款之進一步詳情分別載於簡明綜合中期財務報表附註20(f)及20(g)。

華新之無抵押其他貸款總額共17,755,000港元，當中原於二零零三年三月三十一日前到期之其他貸款餘額約1,927,000港元之貸款人連同原於二零零三年十二月三十一日到期之其他貸款約8,581,000港元之貸款人已書面同意把還款期延至二零零四年十二月三十一日。由於延長貸款安排，餘額共約10,508,000港元將不會於一年內償還，因此，於資產負債表列作非流動負債。於結算日，無抵押其他貸款餘額約7,247,000港元(包括於期間內由第三者貸款之款項1,880,000港元)已到期及截至批准本簡明綜合中期財務報表當日仍沒有償還，故此，其於資產負債表列作流動負債。

13. BANK AND OTHER BORROWINGS (continued)

Notes:

(i) During the Period, Hua Xin obtained a bank loan amounting to approximately HK\$2,820,000 from Bank of Shanghai to finance its working capital. The bank loan bears interest at 5.84% per annum and is repayable on 29 April 2004. The bank loan is secured by a building of Hua Xin with a carrying value of approximately HK\$44,693,000 at the balance sheet date and a corporate guarantee given by Shenzhen Weiji, a company in which a director of the Company, Mr. Sun Hiu Lu, is both a director and shareholder. Further details are included in note 20(e) to the condensed consolidated interim financial statements.

(ii) During the Period, Guizhou Ensure Chain Pharmacy Co. Ltd. ("Ensure Chain") obtained a bank loan amounting to approximately HK\$940,000 from China Construction Bank to finance its working capital. The bank loan bears interest at 6.37% per annum and is unsecured and repayable on 22 July 2004.

(iii) As at the balance sheet date, unsecured other loans comprised approximately HK\$17,755,000 (31 March 2003: HK\$17,915,000), HK\$6,878,000 (31 March 2003: HK\$5,468,000) and HK\$3,194,000 (31 March 2003: HK\$2,820,000) attributable to Hua Xin, Ensure Chain and Ensure Medical respectively.

(iv) Included in Hua Xin's unsecured other loans are amounts of approximately HK\$2,256,000 (31 March 2003: HK\$2,256,000), HK\$4,089,000 (31 March 2003: HK\$6,082,000), HK\$2,820,000 (31 March 2003: HK\$2,820,000) and HK\$2,820,000 (31 March 2003: HK\$2,820,000) due to a director of Hua Xin, Shenzhen Weiji, Yangzhou Energy & Transportation Investment Co., Ltd. ("YZ Energy") and a former shareholder of Hua Xin, respectively. The remaining balances of approximately HK\$5,770,000 (31 March 2003: HK\$3,937,000) were due to third parties. Of the loans due to a director of Hua Xin, approximately HK\$470,000 is interest-free, with the remaining balances bearing interest at 7% per annum. Of the loans due to Shenzhen Weiji, approximately HK\$291,000 is interest-free, with the remaining balances bearing interest at 7% per annum. Of the loans due to YZ Energy and a former shareholder of Hua Xin, both bear interest at 6% per annum. The other loans due to third parties bear interest ranging from 5.8% to 10% per annum. Further details of the loans obtained from Shenzhen Weiji and YZ Energy are set out in notes 20(f) and 20(g) to the condensed consolidated interim financial statements, respectively.

Of Hua Xin's unsecured other loans totalling HK\$17,755,000, lenders of approximately HK\$1,927,000 of the other loan balances that originally fall due before 31 March 2003, together with lenders of approximately HK\$8,581,000 of the other loans that originally fall due on 31 December 2003, have agreed, in writing, to defer the repayments to 31 December 2004. As a result of the loan extension arrangements, the total balances of approximately HK\$10,508,000 will not be repayable within one year and, accordingly, are classified as non-current liabilities in the balance sheet. The remaining unsecured other loan balances of Hua Xin of approximately HK\$7,247,000, including an amount of HK\$1,880,000 borrowed from a third party during the Period, were due as at the balance sheet date and remained unsettled up to the date of approval of these condensed consolidated interim financial statements and, accordingly, are classified as current liabilities in the balance sheet.

13. 銀行及其他借款 (續)

- (v) 一樹連鎖之無抵押其他貸款包括應付予第三者之款項約4,323,000港元(二零零三年三月三十一日: 4,323,000港元)。貸款乃不計利息及須於二零零三年十二月十日至二零零四年四月八日期間償還。於批准本簡明綜合中期財務報表當日, 尚未償還拖欠之貸款約3,383,000港元。應付第三者之其他貸款約1,145,000港元(二零零三年三月三十一日: 1,145,000港元)乃不計利息及須於二零零三年十月十六日至二零零三年十二月十六日期間償還。於批准本簡明綜合中期財務報表當日, 約1,145,000港元乃拖欠及未償還。故此, 於資產負債表中其他貸款5,468,000港元乃列作流動負債。此外, 於期間內, 一樹連鎖取得無抵押其他貸款為1,410,000港元。貸款乃不計利息及須於二零零四年十二月十六日償還, 故此, 於資產負債表列作非流動負債。

除上文所披露外, 按二零零三年三月三十一日止年度之年報所披露本集團之銀行及其他借款之餘額、償還日期及狀況均沒有其他重大變動。

14. 股本**股份**

法定股本:	Authorised:
3,000,000,000股每股 面值0.10港元之普通股	3,000,000,000 ordinary shares of HK\$0.10 each
已發行及繳足股本:	Issued and fully paid:
1,403,796,698股每股 面值0.10港元之普通股	1,403,796,698 ordinary shares of HK\$0.10 each

購股權

本公司之購股權計劃詳情載於本中期業績報告「購股權」一節內。

13. BANK AND OTHER BORROWINGS (continued)

- (v) Included in Ensure Chain's unsecured other loans are amounts of approximately HK\$4,323,000 (31 March 2003: HK\$4,323,000) due to a third party. The loans are interest-free and repayable in the period between 10 December 2003 and 8 April 2004. As at the date of approval of these condensed consolidated interim financial statements, loan repayments of approximately HK\$3,383,000 are in default and remained unsettled. Other loans of approximately HK\$1,145,000 (31 March 2003: HK\$1,145,000), due to third parties, are interest-free and repayable between 16 October 2003 and 16 December 2003. As at the date of approval of these condensed consolidated interim financial statements, loan repayments of approximately HK\$1,145,000 are in default and remained unsettled. Accordingly, other loans of HK\$5,468,000 are classified as current liabilities in the balance sheet. Additionally, Ensure Chain obtained an unsecured other loan of HK\$1,410,000 during the Period. The loan is interest-free and repayable on 16 December 2004 and, accordingly, is classified as a non-current liability in the balance sheet.

Save as disclosed above, the Group have no other material changes in the balances, the repayment dates and the status of bank and other borrowings as disclosed in the annual report for the year ended 31 March 2003.

14. SHARE CAPITAL**Shares**

二零零三年 九月三十日 30 September 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 三月三十一日 31 March 2003 (經審核) (Audited) 千港元 HK\$'000
300,000	300,000
140,379	140,379

Share options

Details of the Company's share option schemes are included in the section "Share Options" of this interim report.

15. 儲備

15. RESERVES

		股份溢價賬 Share premium account (未經審核) (Unaudited) 千港元 HK\$'000	資本贖回 儲備 Capital redemption reserve (未經審核) (Unaudited) 千港元 HK\$'000	資本儲備 Capital reserve (未經審核) (Unaudited) 千港元 HK\$'000	繳入盈餘 Contributed surplus (未經審核) (Unaudited) 千港元 HK\$'000	滙兌波動 儲備 Exchange fluctuation reserve (未經審核) (Unaudited) 千港元 HK\$'000	累計虧損 Accumulated losses (未經審核) (Unaudited) 千港元 HK\$'000	總額 Total (未經審核) (Unaudited) 千港元 HK\$'000
於二零零三年四月一日	At 1 April 2003	140,694	297	13,051	80,933	6	(366,894)	(131,913)
股東應佔日常業務 虧損淨額	Net loss from ordinary activities attributable to shareholders	-	-	-	-	-	(8,332)	(8,332)
於二零零三年 九月三十日	At 30 September 2003	140,694	297	13,051	80,933	6	(375,226)	(140,245)

16. 資產抵押

16. PLEDGE OF ASSETS

於二零零三年九月三十日，下列資產乃予以抵押以取得本集團之銀行融資：

At 30 September 2003, the following assets of the Group were pledged to secure the Group's banking facilities:

- 於結算日，賬面值為40,950,000港元之本集團之若干投資物業；
- 轉讓本集團位於香港之若干投資物業之租金；
- 本公司若干附屬公司之股份、業務、物業、資產及權利之固定及浮動押記；
- 本公司若干附屬公司股本之押記；及
- 於結算日，賬面值約44,693,000港元之本集團房產。

- certain of the Group's investment properties with an aggregate carrying value of HK\$40,950,000 at the balance sheet date;
- assignment of rentals over certain of the Group's investment properties situated in Hong Kong;
- fixed and floating charges over the shares, undertakings, properties, assets and rights of certain of the Company's subsidiaries;
- charge over the share capital of certain of the Company's subsidiaries; and
- a building of the Group with a carrying value of approximately HK\$44,693,000 at the balance sheet date.

17. 或然負債

17. CONTINGENT LIABILITIES

於二零零三年九月三十日，本集團有下列重大或然負債：

At 30 September 2003, the Group had the following material contingent liabilities:

- 於結算日，本公司一附屬公司取得120,000港元(二零零三年三月三十一日：120,000港元)之銀行擔保作為給予若干租賃物業業主之按金。
- 於二零零三年七月七日，G.F. Promotion & Associates的東主王國輝先生向本公司之附屬公司發出高等法院傳票，追討由一九九八年七月至二零零三年三月期間因向附屬公司提供服務而未獲支付費用約1,010,000港元。於二零零三年七月十九日，本集團之法律顧問代表附屬公司向高等法院遞交令狀送達認收書，並表示附屬公司將對訴訟提出抗辯。董事根據本集團之法律顧問提供之意見，相信附屬公司就訴訟具備有根據之抗辯理由，故此並無就訴訟引起之索償作出任何撥備。

- As at the balance sheet date, a subsidiary of the Company obtained bank guarantees of HK\$120,000 (31 March 2003: HK\$120,000) given in lieu of rental deposits to the landlord of certain leased properties.
- On 7 July 2003, a Writ of Summons of the High Court was served to a subsidiary of the Company, by Mr. Wong Kwok Fai, Timbo, the proprietor of G.F. Promotion & Associates, claiming approximately HK\$1,010,000 of unpaid fees in respect of services provided to the subsidiary during the period from July 1998 to March 2003. On 19 July 2003, the Group's legal counsel, on behalf of the subsidiary, submitted an Acknowledgement of Service of Writ of Summons to the High Court citing that the subsidiary will contest the proceedings. The Directors, based on the advice from the Group's legal counsel, believe that the subsidiary has a valid defence to the litigation and, accordingly, have not provided for any claim arising from the litigation.

除上文所披露外，於二零零三年九月三十日，本集團並無其他重大或然負債。

Save as disclosed above, the Group had no other significant contingent liabilities as at 30 September 2003.

18. 承擔

於結算日，本集團之承擔如下：

(a) 資本承擔

已訂約，但未作撥備
已批准，但未訂約

Contracted, but not provided for
Authorised, but not contracted for

(b) 作為承租人之經營租約承擔

本集團根據經營租約安排承租若干辦公室物業。經磋商之物業租約年期介乎1至20年。

於結算日，本集團根據下列期限屆滿之不可撤銷經營租約於未來最低應付租金總額如下：

一年內
第二至第五年(首尾
兩年包括在內)
五年後

Within one year
In the second to fifth years,
inclusive
After five years

18. COMMITMENTS

At the balance sheet date, the Group had the following commitments:

(a) Capital commitments

二零零三年 九月三十日 30 September 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 三月三十一日 31 March 2003 (經審核) (Audited) 千港元 HK\$'000
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-	1,880
8,420	8,420
<u>8,420</u>	<u>10,300</u>

(b) Commitments under operating leases as lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 20 years.

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

二零零三年 九月三十日 30 September 2003 (未經審核) (Unaudited) 千港元 HK\$'000	二零零三年 三月三十一日 31 March 2003 (經審核) (Audited) 千港元 HK\$'000
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9,317	10,617
7,200	9,137
11,077	11,520
<u>27,594</u>	<u>31,274</u>

19. 結算日後之事項

- (a) 按簡明綜合中期財務報表附註1所披露，本集團未償還若干銀行及其他借款。若干銀行及其他貸款人其後同意延長未償還之借款的還款期。
- (b) 於二零零三年十一月二十八日，華新向一家銀行取得額外貸款，金額為人民幣7,000,000元，用作營運資金。銀行貸款乃由華新於結算日賬面值約人民幣47,545,000元之房產及由深圳緯基提供之企業擔保作抵押。
- (c) 於二零零三年十一月二十六日，本公司與一家於上海上市之公司－江蘇聯環藥業股份有限公司（「江蘇聯環」）訂立買賣協議，據此，本公司同意以代價人民幣7,000,000元出售揚州揚大港約基因工程有限公司（「揚州基因」）34.43%股權予江蘇聯環。有關出售已於二零零三年十二月十日完成。
- (d) 於二零零三年十二月十六日及二十六日，由第三者貸款予一樹連鎖兩筆額外貸款金額為人民幣2,000,000元，用作其營運資金。兩筆貸款均無抵押及該兩項貸款中人民幣1,000,000元乃不計利息，而另一筆貸款之年息則以國內之最優惠利率計算，分別須於二零零四年三月十五日及二十六日償還。

20. 關連方交易

- (a) 於結算日，應收中間控股公司Hong Tau及Tin Ming之款項分別為1,208,000港元（二零零三年三月三十一日：1,906,000港元）及11,792,000港元（二零零三年三月三十一日：11,472,000港元）。
- (b) 於結算日，應收本公司之附屬公司揚州基因之少數股東－揚州能源之無抵押貸款為人民幣3,000,000元（二零零三年三月三十一日：人民幣3,000,000元）。貸款之年利率為6厘及已於二零零二年十二月七日期滿。應收揚州能源之該筆款項乃計入簡明綜合中期財務報表中之預付款項、按金及其他應收款項。應收貸款已於二零零三年十二月十八日償還。
- (c) 於結算日，應收揚州基因之少數股東－江蘇科陽轉基因工程研究中心有限責任公司（「科陽」）之無抵押及免息貸款為3,900,000港元（二零零三年三月三十一日：3,900,000港元）。應收科陽該筆款項乃計入簡明綜合中期財務報表中之預付款項、按金及其他應收款項。
- (d) 於結算日，一家由孫曉路先生為董事之公司－深圳市德慮投資發展有限公司（「深圳德慮」），就本公司之附屬公司華新共人民幣30,000,000元（二零零三年三月三十一日：人民幣30,000,000元）之銀行貸款提供企業擔保。

19. POST BALANCE SHEET EVENTS

- (a) As disclosed in note 1 to the condensed consolidated interim financial statements, the Group defaulted on the repayments of certain bank and other borrowings. Certain banks and other lenders have subsequently agreed to defer the repayments of the defaulted borrowings.
- (b) On 28 November 2003, Hua Xin obtained an additional loan, amounting to RMB7,000,000 from a bank to finance its general working capital. The bank loan was secured by a building of Hua Xin with a carrying value of approximately RMB47,545,000 at the balance sheet date and a corporate guarantee executed by Shenzhen Weiji.
- (c) On 26 November 2003, the Company entered into a sales and purchase agreement with Jiangsu Lianhuan Pharmaceutical Co., Ltd. ("Jiangsu Lianhuan"), a company listed in Shanghai, whereby the Company agreed to dispose of its entire 34.43% equity interest in Yangzhou Genetic Engineering Ltd. ("YZ Genetic") to Jiangsu Lianhuan for a consideration of RMB7 million. The disposal has been completed on 10 December 2003.
- (d) On 16 and 26 December 2003, Ensure Chain borrowed two additional loans from independent third parties amounting to RMB2,000,000 to finance its working capital. Both loans are unsecured and RMB1,000,000 of such loans is interest-free and the other loan bears PRC prime interest rate per annum, repayable on 15 and 26 March 2004 respectively.

20. RELATED PARTY TRANSACTIONS

- (a) As at the balance sheet date, the amounts of HK\$1,208,000 (31 March 2003: HK\$1,906,000) and HK\$11,792,000 (31 March 2003: HK\$11,472,000) were due from Hong Tau and Tin Ming, the intermediate holding companies, respectively.
- (b) As at the balance sheet date, an unsecured loan of RMB3,000,000 (31 March 2003: RMB3,000,000) was due from YZ Energy, a minority shareholder of YZ Genetic, a subsidiary of the Company. The amount bears interest at 6% per annum and was due on 7 December 2002. Such amount due from YZ Energy is included in prepayments, deposits and other receivables in the condensed consolidated interim financial statements. The loan receivable was settled on 18 December 2003.
- (c) As at the balance sheet date, an unsecured and interest-free loan of HK\$3,900,000 (31 March 2003: HK\$3,900,000) was due from Ke Yang Transgenic Engineering Research Centre Co., Ltd. ("Ke Yang"), a minority shareholder of YZ Genetic. The amount due from Ke Yang is included in prepayments, deposits and other receivables in the condensed consolidated interim financial statements.
- (d) As at the balance sheet date, Shenzhen Delu Investment & Development Co., Ltd. ("Shenzhen Delu"), a company in which Mr. Sun Hiu Lu is a director, has given a corporate guarantee in respect of a bank loan amounting to RMB30,000,000 (31 March 2003: RMB30,000,000) granted to Hua Xin, a subsidiary of the Company.

20. 關連方交易 (續)

- (e) 於結算日，一家由孫曉路先生為董事及股東之公司－深圳緯基，就華新之人民幣11,000,000元(二零零三年三月三十一日：人民幣8,000,000元)之銀行貸款提供企業擔保。
- (f) 於結算日，應付予深圳緯基之貸款合共人民幣4,350,000元(二零零三年三月三十一日：人民幣6,470,000元)乃無抵押及須於二零零四年十二月三十一日償還。除總金額人民幣310,000元(二零零三年三月三十一日：人民幣310,000元)為免息外，餘額以年利率7厘計息。
- (g) 於結算日，應付予揚州能源之無抵押貸款為人民幣3,000,000元(二零零三年三月三十一日：人民幣3,000,000元)。貸款以年利率6厘計息及已於二零零二年十二月七日期到期。貸款已於二零零三年十二月十八日償還。
- (h) 於結算日，應付予深圳緯基之無抵押貸款為人民幣3,000,000元(二零零三年三月三十一日：人民幣3,000,000元)。貸款以年利率8厘計息及將於二零零四年十二月三十一日期到期。
- (i) 於期間內，深圳緯基就華新已取得或將會取得之銀行貸款與上海銀行訂立協議提供人民幣38,000,000元為上限之企業擔保，期限由二零零三年四月三十日至二零零四年四月二十九日止。

21. 未經審核簡明綜合中期財務報表之批准

本未經審核簡明綜合中期財務報表已於二零零四年一月十六日獲董事會批准及授權刊發。

20. RELATED PARTY TRANSACTIONS (continued)

- (e) As at the balance sheet date, Shenzhen Weiji, a company in which Mr. Sun Hiu Lu is both a director and shareholder, has given corporate guarantees in respect of bank loans amounting to RMB11,000,000 (31 March 2003: RMB8,000,000) granted to Hua Xin.
- (f) As at the balance sheet date, loans with total outstanding balance of RMB4,350,000 (31 March 2003: RMB6,470,000) due to Shenzhen Weiji are unsecured and repayable on 31 December 2004. Except for amounts of RMB310,000 (31 March 2003: RMB310,000) in aggregate being interest-free, the remaining balance bears interest at 7% per annum.
- (g) As at the balance sheet date, an unsecured loan of RMB3,000,000 (31 March 2003: RMB3,000,000) was due to YZ Energy. The amount bears interest at 6% per annum and was due on 7 December 2002. The loan was repaid on 18 December 2003.
- (h) As at the balance sheet date, an unsecured loan of RMB3,000,000 (31 March 2003: RMB3,000,000) was due to Shenzhen Weiji. The amount bears interest at 8% per annum and will be due on 31 December 2004.
- (i) During the Period, Shenzhen Weiji has entered into an agreement with Bank of Shanghai to give a maximum corporate guarantee amounting to RMB38,000,000 for the period from 30 April 2003 to 29 April 2004, in respect of bank loans that were or will be granted to Hua Xin.

21. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 16 January 2004.

業務回顧

截至二零零三年九月三十日止六個月期間，本集團之貿易及財務表現令人鼓舞。回顧期間錄得之財務業績，再次反映及肯定管理層於過去兩年竭力精簡業務及控制成本之成效。

儘管本期間香港經濟疲弱及復甦緩慢，期初更因爆發嚴重急性呼吸系統綜合症（「非典型肺炎」）並遭受打擊，本集團仍於財政年度首六個月錄得營業額約60,700,000港元，較去年同期約49,800,000港元增加約22%。本集團之整體經營虧損由去年約27,300,000港元減至本年度約6,500,000港元，大幅下降約76%。

於回顧期間，香港業務帶來約24,100,000港元之貢獻，佔本集團營業額約39.7%，而其餘約36,600,000港元則源自中國大陸之業務。

香港業務之營業額較去年約26,700,000港元下降約10%。儘管本集團管理層致力維持及推高集團整體業務之銷售額，但香港業務之銷售增長仍一直受着疲弱之消費意欲影響。非典型肺炎之爆發進一步為香港經濟復甦添上沉重壓力，並削弱了本集團積極推動香港業務銷售增長之回報。

相反，中國大陸之業務表現則截然不同，營業額由去年約23,000,000港元升至本期間約36,600,000港元，升幅約達59%。非典型肺炎有助增加國內業務之營業額。國內之藥品及生物科技產品流通業務之營業額隨着非典型肺炎爆發而激增，致使在疫症爆發期間及之後，市場一直對一般保健及健康食品保持興趣。

就本集團之業務營運而言，非典型肺炎之爆發對中港兩地之參茸及藥品業務之營業額分別帶來正面及負面影響，整體計算約有4,400,000港元之升幅淨額，相當於增加約10%，而該升幅乃來自對外銷售。本期間之業務溢利約240,000港元，而去年則錄得6,300,000港元之虧損。生物科技業務之營業

BUSINESS REVIEW

The trading and financial performance for the six months period ended 30 September 2003 has been encouraging. The financial results for the period under review continues to support and re-affirms the effectiveness of the management's relentless efforts in rationalizing its operations and implementation of cost control measures over the past two years.

In spite of the weak and slow recovery of the Hong Kong economy and the sudden outbreak and impact of the Severe Acute Respiratory Syndrome ("SARS") in the early part of the Period, the Group recorded a turnover of approximately HK\$60.7 million for the first six months of the financial year, this represents an increase of approximately 22% compared to the corresponding period of last year of approximately HK\$49.8 million. Overall loss from operating activities of the Group reduced from approximately HK\$27.3 million of last year to HK\$6.5 million this year, a significant reduction in the operating loss of approximately 76%.

During the period under review, the Hong Kong operations contributed approximately HK\$24.1 million, being approximately 39.7%, to the Group's turnover and the remaining, approximately HK\$36.6 million, derived from the operations in Mainland China.

The turnover from the Hong Kong segment dropped by approximately 10% compared to that of last year of approximately HK\$26.7 million. Weak consumer sentiments has been a continuing factor in the dampening of sales growth in the Hong Kong segment, though management of the Group has fought hard to maintain and boost sales across the spectrum of the Group's operations. The outbreak of SARS has further added significant burden to the economic recovery of Hong Kong, and eroded the return of the Group's efforts in increasing sales in the segment.

The turnover from the Mainland, however, saw a different perspective, recording an increase of approximately 59%, from last year's HK\$23 million to approximately HK\$36.6 million recorded in this period. SARS has had favourable impact on the turnover of the Mainland segment. Both the pharmaceutical products and biotechnological products distribution operations in the Mainland have recorded surge in turnover as a result of the outbreak of SARS, which have led to a pervasive and perpetuating interests in general healthcare and health food products during and after the outbreak.

In terms of the business operations of the Group, the outbreak of SARS have resulted in both positive and negative impacts on the turnover of the sum yung and pharmaceutical products business segment of the mainland and Hong Kong respectively, but an overall net increase of approximately HK\$4.4 million, equivalent to 10%, increase in external sales. And profit is recorded for the business segment of approximately HK\$0.24

額亦急升至約9,100,000港元，較去年約2,500,000港元增逾三倍，而此等業務錄得虧損約3,100,000港元，去年則為11,200,000港元，虧損大降約72%。

整體而言，本集團各項主要業務情況已有改善，在本期業績中各自錄得營業額增長及虧損大幅減少。隨着本集團業務好轉，本年度經營虧損已大幅收窄，股東應佔日常業務虧損淨額約為8,300,000港元，較去年23,200,000港元顯著減少約64%，改善情況令人滿意。

展望

儘管香港經濟及市場消費氣氛之復甦受非典型肺炎拖累而大為減慢，但今天仍然呈現緩慢卻穩定之改善。隨着國內人士訪港限制放寬，香港經濟及消費市場宜迎向國內來港旅客之利作出相應調整。本集團管理層期望在下半年度之業務表現如上半年般令人鼓舞。鑑於農曆新年期間及所經營業務之季節性因素，參茸與藥品業務之銷售應將有所增長。非典型肺炎之爆發已提高了市民對健康的意識，普遍市民亦對中西方之非處方藥品、一般保健及健康食品產生興趣。種種因素均為未來數年之更佳業績加添助力。

鑑於香港與中國之更緊密經貿關係安排正於二零零四年一月展開，本集團將進一步朝着目標開拓商機，並在可見將來擴闊在中國市場之流通業務網絡覆蓋面，進一步擴充業務。

本集團之管理層將繼續致力精簡及整合業務、盡量提高收益及降低成本。就此目標並作為本集團精簡策略環節之一，本集團已於二零零三年十一月二十六日訂約出售其於揚州揚大港葯基因工程有限公司之34.43%權益。有關出售將有助本集團精簡及整合其業務，以及進一步保留資源供營運資金及日後擴充所需。

million for the Period compared to a loss of HK\$6.3 million last year. The biotechnological segment also recorded a sharp increase, with turnover amounting to approximately HK\$9.1 million, increased in excess of three folds as compared to approximately HK\$2.5 million last year, and loss for the segment of approximately HK\$3.1 million as compared to HK\$11.2 million of last year, a significant reduction of approximately 72%.

Overall, the major business segments of the Group have achieved improvements, both in terms of increase in turnover and significant reduction of loss in their respective segment results. The improved performance from the business segments of the Group have led to a significant reduction in the operating loss for the year and the resultant net loss from ordinary activities attributable to shareholders of approximately HK\$8.3 million as compared to HK\$23.2 million recorded last year, a remarkable and welcomed reduction of approximately 64%.

PROSPECTS

The Hong Kong economy and consumer sentiments in the market have yet to see slow but steady improvements, though the outbreak of SARS have drastically dampened their pace of recovery. The Hong Kong economy and its consumer markets should be set to benefit from the inbound tourists from the Mainland after relaxing its travelling restrictions to Hong Kong. Management of the Group is hopeful that the trading performance for the second half of the year will be as encouraging as the first half of the financial year. The sum yung and pharmaceutical products segment should achieve better sales results in view of the festive Chinese New Year and the seasonality of its operations. The outbreak of SARS have increased health awareness and led to a pervasive interests in Chinese and western over-the-counter pharmaceutical, general healthcare and health food products, which all should set a favourable platform to better trading performance in the ensuing years.

In light of the imminent commencement of the Closer Economic Partnership Arrangement (“CEPA”) between Hong Kong and the PRC, commencing in January 2004, the Group shall further explore into the opportunities which it ensues and seek further to expand by widening its geographical coverage of its distribution networks in the PRC market in the foreseeable future.

The management of the Group shall continue its relentless effort in rationalizing and consolidating its businesses, to maximise revenue and minimise costs. In this connection and as part of the Group's rationalization strategy, the Group has contracted to dispose of its 34.43% equity interest in Yangzhou Genetic Engineering Ltd. on 26 November 2003. The disposal will assist the Group to streamline and consolidate its operations and to further preserve resources for working capital and future expansion needs.

流動資金、財政資源及資本結構

本集團一般以營運所得現金、供應商之信貸融資及由主要往來銀行提供之銀行貸款，為短期資金需求提供資金。

於結算日，本集團之銀行及其他借款總額約為162,000,000港元，其中一年到期貸款約為147,200,000港元及借款總額中約90,000,000港元為有抵押。借款總額中約70,100,000港元乃以人民幣結算，並於結算日當天以適用匯率兌換，而借款之結餘則以港幣結算。

鑒於人民幣之穩定性，本集團管理層並不認為需要對沖以減輕外幣對換風險。於期間內，本集團並無使用任何其他金融工具以作對沖之用。於二零零三年九月三十日並無對沖工具。

相較於截至二零零三年三月三十一日止年度之年報所述，本集團於結算日之流動資金狀況並無重大變動。本集團於結算日就回顧期間錄得之流動比率為0.47倍，而於二零零三年三月三十一日則錄得0.48倍。同樣地，於回顧期間，負債比率（借款總額除以資產總值）為0.64倍，而於二零零三年三月三十一日則為0.63倍。

本集團之管理層正與其債權銀行磋商一項債務重組安排。本集團亦正與若干有意投資者商討注資於本集團之事宜。若成功與該等債權銀行完成債務重組安排及投資者作出之新投資，本集團流動資金之壓力將會得以紓緩，而對未來業務擴展計劃亦會有所幫助。

資產抵押

於二零零三年九月三十日，賬面總值38,550,000港元之本集團若干投資物業抵押予一間銀行作為一般銀行貸款及發行予銀行之可換股票據之抵押品，而賬面值44,693,000港元之一項本集團房產已抵押，以作為本集團所獲授銀行貸款之抵押品。本集團之信託收據貸款乃以於二零零三年九月三十日賬面值2,400,000港元之本集團之投資物業作抵押。

或然負債

相較於二零零三年三月三十一日之年報所述，本集團之或然負債並無重大變動。於期間內，除簡明綜合中期財務報表附註17所披露者外，於二零零三年九月三十日，本集團並無其他重大或然負債。

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its short term funding requirements with cash generated from operation, credit facilities from suppliers and banking facilities provided by our principal bankers.

As at the balance sheet date, the Group has total bank and other borrowing amounting to approximately HK\$162 million, of which approximately HK\$147.2 million are due within one year and approximately HK\$90 million of the total borrowings are secured. Approximately HK\$70.1 million of the total borrowings is denominated in Renminbi and retranslated accordingly at the appropriate exchange rate at the balance sheet date, and the balance of the borrowings are denominated in Hong Kong dollar.

In view of the stability of Renminbi, management of the Group did not consider necessary to hedge against foreign exchange exposure. During the Period, the Group did not engage in the use of any other financial instruments for hedging purposes, and there is no hedging instrument outstanding as at 30 September 2003.

The liquidity position of the Group as at the balance sheet date has not changed materially from that reported in the annual report year ended 31 March 2003. Current ratio measured at 0.47 time as at the balance sheet date for the period under review as compared to 0.48 time as at 31 March 2003. Similarly, the gearing ratio (total borrowings over total assets) for the period under review measured at 0.64 time as compared to 0.63 time recorded as at 31 March 2003.

The management of the Group is in discussions with its creditor banks with a view to a debt restructuring arrangement. Also, the Group is in discussions with certain potential investors with regard to making investments in the Group. The successful completion of a debt restructuring arrangement with the creditor banks and new funding from the investors will alleviate liquidity pressure and aids the Group's future expansion plans.

CHARGE OF ASSETS

As at 30 September 2003, certain of the Group's investment properties with an aggregate carrying value of HK\$38,550,000 were charged to a bank to secure general banking facilities and convertible note issued to a bank, and a building of the Group with a carrying value of HK\$44,693,000 was pledged to secure banking facilities granted to the Group. The Group's trust receipts loans were secured by one of the Group's investment properties with a carrying value of HK\$2,400,000 as at 30 September 2003.

CONTINGENT LIABILITIES

The contingent liabilities of the Group have not changed materially from those disclosed in the annual report at 31 March 2003. Save as disclosed in note 17 of the condensed consolidated interim financial statements for the Period, the Group had no other significant contingent liabilities as at 30 September 2003.

僱員及酬金

於二零零三年九月三十日，本集團僱員約有628名全職僱員，其中國內約有531名僱員。僱員之酬金包括薪金及酌情發放之花紅。本集團亦採納購股權計劃以提供獎勵予僱員。

本集團僱員之酬金政策及計劃(包括購股權)乃按市場基準釐定，每年經由管理層進行審核。

董事於股份及相關股份之權益

於二零零三年九月三十日，本公司董事及行政總裁於本公司或其任何聯營公司(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份及相關股份中，擁有記錄於根據證券及期貨條例第352條所規定由本公司備存之登記冊之權益，或根據上市公司董事進行證券交易的標準守則(「標準守則」)已知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

(i) 本公司之普通股

董事姓名	Name of Director	持有股份數目		持有股本衍生工具數目	
		Numbers of Shares held		Numbers of Equity Derivatives held	
		直接實益擁有	透過受控法團	直接實益擁有	透過受控法團
		Directly	Through	Directly	Through
		beneficially	controlled	beneficially	controlled
		owned	corporation	owned	corporation
孫曉路先生	Mr. SUN Hiu Lu	-	943,400,000 (附註i)	-	400,000,000 (附註ii)
朱均先生	Mr. CHU Kwan	-	943,400,000 (附註i)	-	400,000,000 (附註ii)

附註：

- (i) Hong Tau Investment Ltd. (「Hong Tau」) 透過其全資附屬公司 Victory Hunter Holdings Limited (「Victory Hunter」) (持有23,400,000股股份)、Wai Fat International Limited (「Wai Fat」) (持有130,000,000股股份) 及 Tin Ming Management Limited (「Tin Ming」) (持有790,000,000股股份) 持有合共943,400,000股股份。

Hong Tau由Welcome Success Worldwide Ltd. (「Welcome Success」) (本公司兩位董事孫曉路先生及朱均先生各自擁有其50%權益) 及濱港財務有限公司(「濱港」) 分別擁有51%及49%權益。黑龍江中盟集團有限公司(「黑龍江中盟」) 持有濱港80%權益。

因此，孫曉路先生及朱均先生各被視為於Tin Ming、Wai Fat及Victory Hunter合共所持之943,400,000股股份中擁有權益。

STAFF AND REMUNERATION

As at 30 September 2003, the Group employed approximately 628 full time employees, of which approximately 531 were in the PRC. The remuneration of employees include salary and discretionary bonus. The Group also adopted a share option scheme to provide an incentive to the employees.

The remuneration policy and package, including the share options, of the Group's employees are maintained at market level and reviewed annually by the management.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2003, the interests of the directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

(i) Ordinary Shares of the Company

董事姓名	Name of Director	持有股份數目		持有股本衍生工具數目	
		Numbers of Shares held		Numbers of Equity Derivatives held	
		直接實益擁有	透過受控法團	直接實益擁有	透過受控法團
		Directly	Through	Directly	Through
		beneficially	controlled	beneficially	controlled
		owned	corporation	owned	corporation
孫曉路先生	Mr. SUN Hiu Lu	-	943,400,000 (附註i)	-	400,000,000 (附註ii)
朱均先生	Mr. CHU Kwan	-	943,400,000 (附註i)	-	400,000,000 (附註ii)

Notes:

- (i) Hong Tau Investment Ltd. ("Hong Tau") through its wholly owned subsidiaries, Victory Hunter Holdings Limited ("Victory Hunter") (which holds 23,400,000 shares), Wai Fat International Limited ("Wai Fat") (which holds 130,000,000 shares) and Tin Ming Management Limited ("Tin Ming") (which holds 790,000,000 shares) holds an aggregate of 943,400,000 shares.

Hong Tau is owned as to 51% by Welcome Success Worldwide Ltd. ("Welcome Success"), (which is owned equally as to 50% by each of two directors of the Company, Mr. SUN Hiu Lu and Mr. CHU Kwan), and as to 49% by H.H.K. Finance Company Limited ("HHK"). 黑龍江中盟集團有限公司 Heilongjiang China United Group Company Limited ("Heilongjiang China") owns 80% interest in HHK.

Accordingly, each of Mr. SUN Hiu Lu and Mr. CHU Kwan is deemed to be interested in the aggregate of 943,400,000 shares held by Tin Ming, Wai Fat and Victory Hunter.

(ii) 根據Hong Tau與銀行(「該銀行」)於二零零零年二月二十七日訂立之期權協議，該銀行同意授予Hong Tau先買權，倘該銀行有意出售任何按照於二零零零年四月二十七日由本公司發行40,000,000港元銀行可換股票據予該銀行而兌換之任何本公司股份，則Hong Tau享有先買權可以按該銀行換股時支付之相同價格(即0.10港元，可予調整)購買。

Hong Tau由Welcome Success(本公司兩位董事孫曉路先生及朱均先生各自擁有其50%權益)擁有51%權益。因此，孫曉路先生及朱均先生各擁有400,000,000股股份之好倉權益。

根據本公司按照證券及期貨條例第352條而置存之董事及行政總裁權益及淡倉登記冊所載，於二零零三年九月三十日並無淡倉記錄。

除上文所披露外，於二零零三年九月三十日，本公司董事或行政總裁概無在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份中，擁有任何須記錄於根據證券及期貨條例第352條所規定由本公司備存之登記冊上，或根據標準守則須知會本公司及聯交所之權益或淡倉。

(ii) 購股權

本公司設立購股權計劃，對本集團業務之成就有所貢獻之合資格參與人士給予獎勵及獎賞。本公司先前採納之購股權計劃(「舊有計劃」)已根據其條款於二零零一年十一月五日屆滿。縱使再無按舊有計劃授出購股權，舊有計劃之條款於其他方面將對終止前發行之尚未行使之購股權仍有效力。

本公司於二零零一年九月二十五日舉行之股東週年大會上，批准及採納新購股權計劃(「新計劃」)，新計劃於二零零一年十一月六日生效，除非遭註銷及修訂，其有效期由該日起計十年有效。新計劃之合資格參與人士包括符合新計劃規則內指定之篩選準則之本集團任何執行董事、非執行董事、僱員、代理、顧問或代表。

(ii) Pursuant to an option agreement dated 27 February 2000 signed by Hong Tau and a bank (the "Bank"), the Bank has agreed to grant to Hong Tau a first right of refusal for the acquisition of any shares of the Company converted under HK\$40 million bank convertible note issued by the Company to the Bank on 27 April 2000 at the same price as the Bank has paid for them at conversion (i.e. HK\$0.10, subject to adjustment) if the Bank wishes to sell them.

Hong Tau is owned as to 51% by Welcome Success, (which is owned equally as to 50% by each of two directors of the Company, Mr. SUN Hiu Lu and Mr. CHU Kwan). Accordingly, Mr. SUN Hiu Lu and Mr. CHU Kwan have a long position of 400,000,000 shares.

As at 30 September 2003, no short positions were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept by the Company under Section 352 of the SFO.

Save as disclosed above, as at 30 September 2003, none of the directors or the chief executive of the Company had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept by the Company under Section 352 of the SFO or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Share Options

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The share option scheme previously adopted by the Company (the "Old Scheme") expired on 5 November 2001. Despite that no further options shall be granted under the Old Scheme, the provisions of the Old Scheme shall remain in full force and effect in all other respects to govern all outstanding options granted prior to termination.

At the Company's annual general meeting held on 25 September 2001, a new share option scheme (the "New Scheme") was approved and adopted and became effective on 6 November 2001 and, unless otherwise cancelled and amended, will remain in force for 10 years from that date. Eligible participants of the New Scheme include any executive director, non-executive director, employee, agent, consultant or representative of the Group who satisfies the selection criteria prescribed by the rules of the New Scheme.

		購股權數目 Number of share options						本公司之股價 於授出 購股權日** Price of Company's shares at grant date of options**		
參予者類別或名字	Name or category of participant	於二零零三年 四月一日 At 1 April 2003	期內授出 Granted during the period	期內作廢 Lapsed during the period	於二零零三年 九月三十日 At 30 September 2003	購股權授出日期 Date of grant of share options	購股權行使期 Exercise period of share options	購股權 行使價* Exercise price of share options*	港元 HK\$	港元 HK\$
董事 黃淑云女士	Directors Ms. Huang Shuyun	25,000,000	-	-	25,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	
		2,000,000	-	-	2,000,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61	
		<u>27,000,000</u>	<u>-</u>	<u>-</u>	<u>27,000,000</u>					
朱均先生	Mr. Chu Kwan	25,200,000	-	-	25,200,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	
		1,000,000	-	-	1,000,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61	
		<u>26,200,000</u>	<u>-</u>	<u>-</u>	<u>26,200,000</u>					
孫曉路先生	Mr. Sun Hiu Lu	27,000,000	-	-	27,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	
趙大可先生	Mr. Zhao Dake	27,000,000	-	-	27,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	
張珂先生	Mr. Zhang Ke, Winston	3,000,000	-	-	3,000,000	10-7-2001	10-7-2001 to 9-7-2011	1.00	1.20	
		1,500,000	-	-	1,500,000	22-2-2002	22-2-2004 to 21-2-2012	0.88	0.88	
		1,500,000	-	-	1,500,000	22-2-2002	22-2-2005 to 21-2-2012	0.88	0.88	
		<u>6,000,000</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>					
吳永鏗先生	Mr. Ng Wing Hang	-	300,000	-	300,000	2-5-2003	2-5-2003 to 1-5-2013	0.380	0.38	
黃錦榮博士	Dr. Melvin Wong	-	300,000	-	300,000	27-5-2003	27-5-2003 to 1-5-2013	0.380	0.36	
其他僱員 總額	Other employees In aggregate	1,700,000	-	-	1,700,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	
		40,000	-	-	40,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61	
		2,000,000	-	-	2,000,000	9-11-2001	9-11-2001 to 8-11-2011	1.06	1.06	
		2,100,000	-	(200,000)	1,900,000	22-2-2002	22-2-2002 to 21-2-2012	0.88	0.88	
		<u>5,840,000</u>	<u>-</u>	<u>(200,000)</u>	<u>5,640,000</u>					
		<u>119,040,000</u>	<u>600,000</u>	<u>(200,000)</u>	<u>119,440,000</u>					

* 購股權之行使價或會因應供股或發行紅股，或本公司股本出現其他類似變動時須予調整。

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

** 於授出購股權當日所披露之本公司股份價格乃股份緊接授出購股權當日前一個交易日在香港聯交所之收市價。

** The price of the Company's shares disclosed as at the date of the grant of the share options is the Hong Kong Stock Exchange closing price on the trading day immediately prior to the date of the grant of the Options.

根據購股權計劃授出購股權所引致之財務影響並不會在本公司或本集團之資產負債表呈列，直至購股權行使為止。授出購股權之成本亦無計入損益表或資產負債表。因行使購股權而發行之股份會按股份面值列作本公司之額外股本，而每股行使價高於股份面值之差額則計入本公司之股份溢價賬。於行使前已註銷或失效之購股權會自尚未行使之購股權名冊內刪除。

The financial impact of share options granted under the share option schemes is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

董事認為，披露於期間內授予若干董事之購股權之理論化價值並不恰當，原因為其中涉及的估值因素未能確定。因此，任何假設皆不含真實意義，並會對本公司之股東造成誤導。

除上文所披露外，於期間內任何時間，概無向任何董事或彼等各自之配偶或未滿18歲之子女授出權力，可藉此購買本公司股份或債券而獲益，彼等亦無行使任何該等權力；而本公司或其任何附屬公司或同系附屬公司亦概無參與任何安排致使任何董事或彼等各自之配偶或未滿18歲之子女於任何其他法團體中取得該等權力。

主要股東及其他股東

於二零零三年九月三十日，就本公司董事所知，按根據證券及期貨條例第336條規定由本公司備存之登記冊所記錄，下列人士(本公司董事或行政總裁除外)擁有本公司股份及相關股份之權益：

The directors of the Company do not consider it appropriate to disclose a theoretical value of the share options granted during the Period to certain directors, because a number of factors crucial for the valuation cannot be determined. Accordingly, any valuation of the options based on various speculative assumptions would not be meaningful, and would be misleading to the shareholders of the Company.

Save as disclosed above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDER

As at 30 September 2003, so far as is known to the directors of the Company, the following persons (other than the directors or chief executive of the Company) had an interest in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

股東名稱	Name of Shareholder	持有股份數目		估已發行 股份之概約 百分比	持有股本衍生工具數目	
		直接權益	認算權益		直接權益	認算權益
		Direct interest	Deemed interest	Approximately percentage of the issued shares	Direct interest	Deemed interest
黑龍江中盟集團有限公司	Heilongjiang China United Group Company Limited	-	943,400,000 (附註i)	67.2%	-	400,000,000 (附註ii)
濱港財務有限公司	H.H.K. Finance Company Limited	-	943,400,000 (附註i)	67.2%	-	400,000,000 (附註ii)
Welcome Success Worldwide Ltd.	Welcome Success Worldwide Ltd.	-	943,400,000 (附註i)	67.2%	-	400,000,000 (附註ii)
Hong Tau Investment Ltd.	Hong Tau Investment Ltd.	-	943,400,000 (附註i)	67.2%	400,000,000 (附註ii)	-
蔡靈媿女士	Ms. CAI Ling Ti	-	943,400,000 (附註iii)	67.2%	-	427,000,000 (附註iii)
王義蘭女士	Ms. WONG Yee Lan	-	943,400,000 (附註iv)	67.2%	-	426,200,000 (附註iv)
Tin Ming Management Limited	Tin Ming Management Limited	790,000,000	-	56.3%	-	-
Wai Fat International Limited	Wai Fat International Limited	130,000,000	-	9.3%	-	-
徐耀昌先生	Mr. XU Yao Chang	91,000,000	-	6.5%	-	-

附註：

- (i) Hong Tau透過其全資附屬公司Victory Hunter (持有23,400,000股股份)、Wai Fat (持有130,000,000股股份)及Tin Ming (持有790,000,000股股份)持有合共943,400,000股股份。

Hong Tau由Welcome Success (本公司兩位董事孫曉路先生及朱均先生各自擁有其50%權益)及濱港分別擁有51%及49%權益。黑龍江中盟則擁有濱港80%權益。

因此，Hong Tau、Welcome Success、濱港及黑龍江中盟各被視為於Tin Ming、Wai Fat及Victory Hunter所持之943,400,000股股份中擁有權益。

- (ii) 根據Hong Tau與該銀行於二零零零年二月二十七日訂立之期權協議，該銀行同意授予Hong Tau先買權，倘該銀行欲出售任何按照於二零零零年四月二十七日由本公司發行40,000,000港元銀行可換股票據予該銀行而兌換之任何本公司股份，則Hong Tau享有先買權可以按該銀行換股時支付之相同價格(即0.10港元，可予調整)購買。

Hong Tau由Welcome Success及濱港分別擁有51%及49%權益。黑龍江中盟擁有濱港80%權益。因此，Hong Tau、Welcome Success、濱港及黑龍江中盟各擁有400,000,000股股份之好倉權益。

- (iii) 蔡靈媿女士乃孫曉路先生之配偶。她被視為通過其配偶之權益而擁有該等股份。
- (iv) 王義蘭女士乃朱均先生之配偶。她被視為通過其配偶之權益而擁有該等股份。

根據本公司按照證券及期貨條例第336條而置存之股份權益及淡倉登記冊所載，於二零零三年九月三十日並無淡倉記錄。

除上文所披露外，於二零零三年九月三十日，主要股東或其他人士(本公司董事或行政總裁除外)概無在本公司之股份及相關股份中，擁有任何須記錄於根據證券及期貨條例第336條所規定由本公司備存之登記冊上之權益。

給予公司之貸款

於二零零三年九月三十日，本集團墊款予華財集團(控股)有限公司若干附屬公司(「債務人」)之貸款合共約77,600,000港元，連同其應計利息約6,262,000港元。該項貸款並無抵押，按年利率12厘計息或港元最優惠利率加3厘計息，並自一九九八年十二月／一九九九年一月逾期仍未償還。本集團已於二零零零年十月向債務人發出傳訊令狀，而於二零零零年十一月債務人被判敗訴，據此，債務人被頒令須支付合共約103,034,000港元連同利息予本集團，本集團已就全部貸款及其應收利息於一九九九年三月三十一日作全數撥備。截至批准本未經審核簡明綜合中期財務報表當日截止，債務人所欠款項尚未償還。

Notes:

- (i) Hong Tau through its wholly owned subsidiaries, Victory Hunter (which holds 23,400,000 shares), Wai Fat (which holds 130,000,000 shares) and Tin Ming (which holds 790,000,000 shares) holds an aggregate of 943,400,000 shares.

Hong Tau is owned as to 51% by Welcome Success, (which is owned equally as to 50% by each of two directors of the Company, Mr. SUN Hiu Lu and Mr. CHU Kwan), and as to 49% by HHK. Heilongjiang China owns 80% interest in HHK.

Accordingly, each of Hong Tau, Welcome Success, HHK and Heilongjiang China is deemed to be interested in 943,400,000 shares held by Tin Ming, Wai Fat and Victory Hunter.

- (ii) Pursuant to an option agreement dated 27 February 2000 signed by Hong Tau and the Bank, the Bank has agreed to grant to Hong Tau a first right of refusal for the acquisition of any Shares converted under HK\$40 million bank convertible note issued by the Company to the Bank on 27 April 2000 at the same price as the Bank has paid for them at conversion (i.e. HK\$0.10, subject to adjustment) if the Bank wishes to sell them.

Hong Tau is owned as to 51% by Welcome Success and as to 49% by HHK. Heilongjiang China owns 80% interest in HHK. Accordingly, Hong Tau, Welcome Success, HHK and Heilongjiang China have a long position of 400,000,000 shares.

- (iii) Ms. CAI Ling Ti is a spouse of Mr. SUN Hiu Lu. She is deemed to be interested in those shares through the interests of her spouse.
- (iv) Ms. WONG Yee Lan is a spouse of Mr. CHU Kwan. She is deemed to be interested in those shares through the interests of her spouse.

As at 30 September 2003, no short positions were recorded in the Register of Interests in Shares and Short Positions required to be kept by the Company under Section 336 of the SFO.

Save as disclosed above, as at 30 September 2003, none of the substantial shareholders or other persons (other than the directors or chief executive of the Company) had any interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

ADVANCE TO ENTITIES

As at 30 September 2003, the Group advanced an aggregate sum of approximately HK\$77,600,000 plus accrued interest thereon of approximately HK\$6,262,000 to certain subsidiaries of Golden Sino (Holdings) Limited (the "Debtors"). The advances are unsecured, and bear interest at 12% per annum or at Hong Kong dollar prime rate plus 3% per annum and have been overdue since December 1998/January 1999. The Group had issued writs of summons to the Debtors in October 2000 and in November 2000, judgements were delivered against the Debtors under which the Debtors were ordered to pay to the Group the sum of approximately HK\$103,034,000 plus interest thereon. The Group made full provision against the entire loan and interest receivable thereon in the year ended 31 March 1999. As at the date of the approval of these unaudited condensed consolidated interim financial statements, the amounts due from the Debtors remained outstanding.

控股股東抵押之本公司股份

於二零零零年二月二十九日，該銀行與本公司訂立重組協議，據此(其中包括)該銀行同意授予本集團一筆定期貸款，本金總額約為46,000,000港元。作為債務重組安排之一部分，該銀行於二零零零年三月二十九日與Tin Ming訂立貸款協議(「貸款協議」)。該貸款協議另外規定，倘Tin Ming於本公司之持股量(根據貸款協議抵押予該銀行作為抵押品)降低於本公司已發行股份總數之51%，則將視為已發生違約事件。在此情況下，該銀行可宣佈根據本公司與該銀行簽訂之任何重組文件(「重組文件」)之任何應付款項已即時到期並須予支付，而該等款項須據此即時到期支付。根據重組文件，於二零零零年四月二十七日之貸款總額約為46,000,000港元。根據重組文件，貸款年期最長為六年。

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並無於期間內購買、出售或贖回本公司任何上市證券。

最佳應用守則

董事認為，本公司已於本中期業績報告所涵蓋之會計期間一直遵守聯交所上市規則附錄14所載之最佳應用守則(「守則」)。惟本公司之獨立非執行董事並無根據守則第7段之規定訂立指定任期，而須根據本公司之公司細則於本公司之股東週年大會上輪值告退及重選。

審核委員會

本公司已按守則之規定成立審核委員會，目的為審閱及監察本集團之財務申報程序及內部監控。該審核委員會由本公司兩名獨立非執行董事組成。審核委員會已與本集團之管理層審閱本集團所採納之會計準則及慣例，以及討論內部監控及財務申報事宜，其中包括審閱截至二零零三年九月三十日止六個月之未經審核中期業績。

承董事會命

執行董事兼首席財務官
張珂

香港
二零零四年一月十六日

PLEDGE OF SHARES OF THE COMPANY BY THE CONTROLLING SHAREHOLDER

On 29 February 2000, the Bank entered into a restructuring agreement with the Company under which, among other things, the Bank agreed to grant a term loan facility of an aggregate principal amount of approximately HK\$46,000,000 to the Group. As part and parcel of the debt restructuring arrangement, the Bank entered into a loan agreement with Tin Ming on 29 March 2000 (the "Loan Agreement"). The restructuring agreement further provides that if Tin Ming's shareholdings in the Company that are charged to the Bank as security under the Loan Agreement fall below 51% of the total issued shares of the Company, an event of default will be deemed to have arisen. In such an event, the Bank may declare any sums payable under any of the restructuring documents between the Company and the Bank (the "Restructuring Documents") to have become immediately due and payable, whereupon the same shall become immediately due and payable. The aggregate level of facilities under the Restructuring Documents as at 27 April 2000 is approximately HK\$46,000,000. The maximum tenure of the facilities under the Restructuring Documents is 6 years.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company had complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the accounting period covered by this interim report, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's bye-laws.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises two independent non-executive directors of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim results for the six months ended 30 September 2003.

On behalf of the Board of Directors

Zhang Ke, Winston
Executive Director and Chief Financial Officer

Hong Kong
16 January 2004