



LEI SHING HONG LIMITED

利星行有限公司

INTERIM REPORT 2004 中期報告

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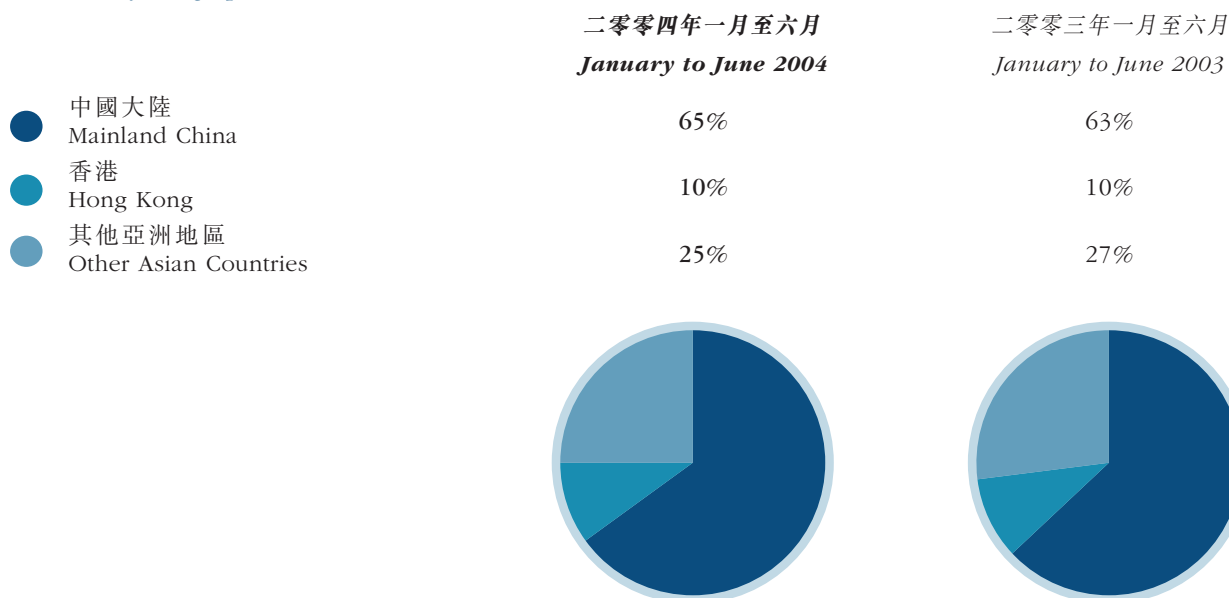
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財務摘要

Financial Highlights

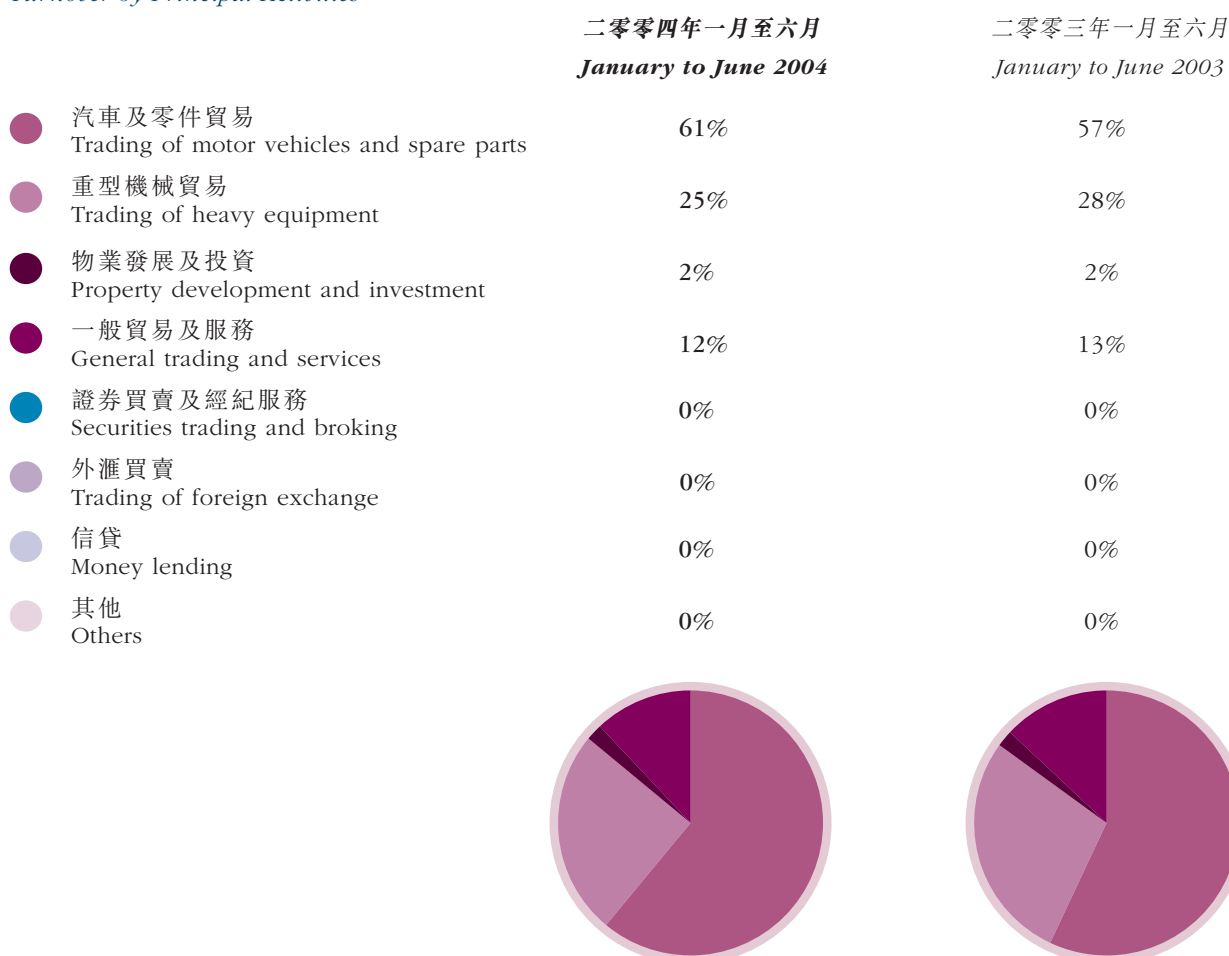
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營業額之主要業務分析

Turnover by Principal Activities



中期業績

利星行有限公司（「本公司」）董事會（「董事會」）欣然公佈本公司及其附屬公司（「本集團」）截至二零零四年六月三十日止六個月之未經審核簡明綜合中期業績連同比較數字如下。此中期財務報表雖未經審核，惟已經由本公司之審核委員會審閱。

Interim Results

The Board of Directors (the “Board”) of Lei Shing Hong Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2004 together with the comparative figures as follows. These interim financial statements have not been audited, but have been reviewed by the Company’s audit committee.

簡明綜合損益賬

截至二零零四年六月三十日止六個月

Condensed Consolidated Profit and Loss Account

For the six months ended 30 June 2004

(以千港元為單位)	(In HK\$ thousands)	附註 Notes	2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)
營業額	Turnover	2	4,763,787	4,333,358
銷售貨品及服務成本	Cost of sales and services		<u>(4,328,466)</u>	<u>(3,899,051)</u>
毛利	Gross profit		435,321	434,307
其他收入及收益	Other revenue and gains		60,856	78,010
銷售及分銷成本	Selling and distribution costs		(48,623)	(44,440)
行政開支	Administrative expenses		(221,628)	(148,591)
其他經營開支	Other operating expenses		<u>(106,076)</u>	<u>(128,777)</u>
經營溢利	Profit from operating activities	2, 3	119,850	190,509
財務費用	Finance costs	4	(31,814)	(42,996)
應佔溢利減虧損：	Share of profits less losses of:			
共同控權合資企業	A jointly-controlled entity		19,519	8,760
聯營公司	Associates		<u>29,077</u>	<u>343</u>
除稅前溢利	Profit before tax		136,632	156,616
稅項	Tax	5	<u>(34,149)</u>	<u>(48,572)</u>
未計少數股東權益前溢利	Profit before minority interests		102,483	108,044
少數股東權益	Minority interests		<u>(7,415)</u>	<u>(4,865)</u>
股東應佔溢利	Net profit from ordinary activities attributable to shareholders		<u>95,068</u>	<u>103,179</u>
每股盈利	Earnings per share	6		
— 基本	— Basic		<u>9.97 港仙cents</u>	<u>10.85 港仙cents</u>
— 攤薄	— Diluted		<u>9.62 港仙cents</u>	<u>10.37 港仙cents</u>
股息	Dividend	7	<u>無 Nil</u>	<u>無 Nil</u>

簡明綜合權益變動報表

截至二零零四年六月三十日止六個月

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2004

		普通 股本 Ordinary share capital (未經審核) (Unaudited)	股份 溢價賬 Share premium account (未經審核) (Unaudited)	投資物業 重估儲備 Investment property Capital revaluation reserve (未經審核) (Unaudited)	認股權證 認購儲備 Warrant subscription reserve (未經審核) (Unaudited)	外匯 變動儲備 Exchange fluctuation reserve (未經審核) (Unaudited)	建議 末期股息 Proposed final dividend (未經審核) (Unaudited)	保留溢利 Retained profits (未經審核) (Unaudited)	總額 Total (未經審核) (Unaudited)		
於二零零四年 一月一日	At 1 January 2004	951,169	2,459,521	12,011	1,483	91,646	40,126	(97,924)	938,418	28,535	4,424,985
派發二零零三年 末期股息	2003 final dividend declared	-	-	-	-	-	-	-	-	(28,535)	(28,535)
匯兌調整	Exchange adjustments	-	-	-	-	-	(7,129)	-	-	-	(7,129)
於出售共同控權合資 企業而撥回儲備金	Release of reserve funds upon disposal of a jointly-controlled entity	-	-	-	-	-	(4,082)	-	-	-	(4,082)
於出售共同控權合資 企業而撥回匯兌 波動儲備	Release of exchange fluctuation reserve upon disposal of a jointly-controlled entity	-	-	-	-	-	36,408	-	-	-	36,408
應佔附屬公司之 一般儲備	Share of general reserve of subsidiaries	-	-	-	-	5,137	-	-	-	-	5,137
行使認股權證	Exercise of warrants	87,199	217,997	-	(43,599)	-	-	-	-	-	261,597
期內溢利	Profit for the period	-	-	-	-	-	-	95,068	-	-	95,068
從保留溢利轉入	Transfer from retained profits	-	-	-	-	6,457	-	(6,457)	-	-	-
於二零零四年 六月三十日	At 30 June 2004	1,038,368	2,677,518	12,011	1,483	48,047	47,638	(68,645)	1,027,029	-	4,783,449
於二零零三年 一月一日	At 1 January 2003	951,169	2,459,521	12,743	1,483	91,646	26,135	(121,440)	744,485	28,535	4,194,277
派發二零零二年 末期股息	2002 final dividend declared	-	-	-	-	-	-	-	-	(28,535)	(28,535)
匯兌調整	Exchange adjustments	-	-	-	-	-	73,232	-	-	-	73,232
應佔聯營公司之 一般儲備	Share of general reserve of associates	-	-	-	-	(163)	-	-	-	-	(163)
期內溢利	Profit for the period	-	-	-	-	-	-	103,179	-	-	103,179
從保留溢利轉入	Transfer from retained profits	-	-	-	-	2,559	-	(2,559)	-	-	-
於二零零三年 六月三十日	At 30 June 2003	951,169	2,459,521	12,743	1,483	91,646	28,531	(48,208)	845,105	-	4,341,990

簡明綜合資產負債表

二零零四年六月三十日

Condensed Consolidated Balance Sheet

30 June 2004

(以千港元為單位)	(In HK\$ thousands)	附註 Notes	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
非流動資產	Non-current assets			
固定資產	Fixed assets		1,073,114	834,645
發展中物業	Properties under development		1,141,991	1,092,704
投資物業	Investment properties		70,727	70,727
商譽	Goodwill		702,620	714,017
於共同控權合資企業之權益	Interest in a jointly-controlled entity		–	225,313
於聯營公司之權益	Interests in associates		1,523,350	1,533,632
無形資產	Intangible asset		1,800	1,950
長期投資	Long term investments		157,507	142,441
遞延稅項資產	Deferred tax assets		27,621	27,091
應收長期款項	Long term receivable		60,000	60,000
			4,758,730	4,702,520
流動資產	Current assets			
短期投資	Short term investments		273,151	83,033
存貨	Inventories	8	2,147,216	1,606,378
持有作銷售之物業	Properties held for sale	9	221,811	283,410
應收賬款	Trade receivables	10	759,153	739,469
應收貸款	Loans receivable		127,924	727,198
其他應收款項	Other receivables		495,618	265,816
抵押定期存款	Pledged time deposits		2,642	866,603
代證券客戶持有之現金	Cash held on behalf of securities clients		4,765	11,204
現金及現金等值項目	Cash and cash equivalents		1,218,027	934,746
			5,250,307	5,517,857
流動負債	Current liabilities			
應付賬款及票據	Trade and bills payables	11	1,245,175	1,873,206
應付稅項	Tax payable		42,286	27,007
其他應付款項及應計費用	Other payables and accruals		571,275	382,360
附息銀行貸款及其他免息貸款	Interest-bearing bank borrowings and other non interest-bearing borrowing		2,361,127	2,390,717
撥備	Provisions		38,544	43,047
			4,258,407	4,716,337
流動資產淨值	Net current assets		991,900	801,520
減除流動負債後之總資產	Total assets less current liabilities		5,750,630	5,504,040
非流動負債	Non-current liabilities			
附息銀行貸款	Interest-bearing bank borrowings		526,483	520,882
遞延稅項負債	Deferred tax liabilities		195,979	195,645
			722,462	716,527
少數股東權益	Minority interests		244,719	362,528
			4,783,449	4,424,985
股本及儲備	Capital and reserves			
已發行股本	Issued capital	12	1,038,368	951,169
儲備	Reserves		3,745,081	3,445,281
建議末期股息	Proposed final dividend		–	28,535
			4,783,449	4,424,985

簡明綜合現金流量表

截至二零零四年六月三十日止六個月

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2004

(以千港元為單位)	(In HK\$ thousands)	2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)
經營業務之現金 (流出) / 流入淨額	Net cash (outflow)/inflow from operating activities	(537,135)	194,494
投資業務之現金流入 / (流出) 淨額	Net cash inflow/(outflow) from investing activities	804,980	(108,809)
融資活動之現金(流出) / 流入淨額	Net cash (outflow)/inflow from financing activities	(35,963)	89,707
現金及現金等值項目之增加	Increase in cash and cash equivalents	231,882	175,392
期初之現金及現金等值項目	Cash and cash equivalents at beginning of period	934,746	447,472
外幣匯率變動之淨額影響	Effect of foreign exchange rate changes, net	13,625	1,235
期終之現金及現金等值項目	Cash and cash equivalents at end of period	1,180,253	624,099
現金及現金等值項目 結餘之分析	Analysis of balances of cash and cash equivalents		
現金及銀行結餘	Cash and bank balances	1,026,471	557,806
無抵押定期存款	Unpledged time deposits	191,556	73,892
銀行透支	Bank overdrafts	(37,774)	(7,599)
		1,180,253	624,099

簡明綜合財務報表附註

Notes to Condensed Consolidated Financial Statements

1. 編製基準及會計政策

此未經審核之簡明綜合中期財務報表乃根據香港會計師公會頒佈的香港會計實務準則（「會計實務準則」）第25號「中期財務報告」而編製。

編製此簡明綜合中期財務報表所採用之會計政策及編製基準，與本集團截至二零零三年十二月三十一日止年度經審核財務報表所採用者一致。

2. 分部資料

按主要業務，本集團營業額及經營溢利分析如下：

1. Basis of Preparation and Accounting Policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) No. 25, “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation used in the preparation of these condensed consolidated interim financial statements are the same as those used in the audited financial statements for the year ended 31 December 2003.

2. Segment Information

An analysis of the Group’s turnover and contribution to profit from operating activities by principal activity is as follows:

截至六月三十日止六個月 (以千港元為單位)	Six months ended 30 June (In HK\$ thousands)	經營溢利			
		營業額		Contribution to profit from operating activities	
		2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)	2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)
汽車及零件貿易	Trading of motor vehicles and spare parts	2,903,429	2,473,159	27,225	104,934
重型機械貿易	Trading of heavy equipment	1,211,133	1,219,258	47,070	62,223
物業發展及投資	Property development and investment	77,408	90,921	(9,128)	(6,013)
一般貿易及服務	General trading and services	2,455,100	1,822,074	21,553	26,583
證券買賣及經紀服務	Securities broking and trading	16,567	6,256	23,281	2,302
外匯買賣	Trading of foreign exchange	1,026	(19,788)	2,674	(10,968)
信貸	Money lending	8,405	11,352	948	11,296
其他	Others	1,794	1,104	10,109	17,242
		6,674,862	5,604,336	123,732	207,599
業務之間的抵銷	Intersegment eliminations	(1,911,075)	(1,270,978)	(3,882)	(17,090)
		4,763,787	4,333,358	119,850	190,509

2. 分部資料 (續)

按營業地區，本集團營業額分析如下：

2. Segment Information (Continued)

An analysis of the Group's turnover by geographical area of operations is as follows:

截至六月三十日止六個月 (以千港元為單位)	Six months ended 30 June (In HK\$ thousands)	營業額 Turnover	
		2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)
中華人民共和國：	People's Republic of China:		
香港	Hong Kong	488,304	409,367
中國大陸	Mainland China	3,085,962	2,746,979
其他亞洲國家	Other Asian countries	1,189,521	1,177,012
		<u>4,763,787</u>	<u>4,333,358</u>

3. 經營溢利

本集團經營溢利經扣除／
(計入)：

3. Profit from Operating Activities

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

截至六月三十日止六個月 (以千港元為單位)	Six months ended 30 June (In HK\$ thousands)	2004	2003
		(未經審核) (Unaudited)	(未經審核) (Unaudited)
折舊	Depreciation	26,023	25,678
商譽攤銷	Amortisation of goodwill	31,932	32,180
交易權攤銷	Amortisation of trading rights	150	150
呆壞賬撥備	Provision for doubtful debts	5,021	4,507
存貨撥備	Provision for inventories	661	273
持有作銷售物業可預見 虧損撥備回撥	Write back of provision for foreseeable loss on properties held for sale	(5,469)	(11,524)
對短期投資重估之 未變現收益	Unrealised gains on revaluation of short term investments	(17,844)	(5,560)
上市證券之股息收入	Dividend income from listed investments	(4,304)	(1,390)
租金收入淨額	Rental income, net	(9,135)	(8,417)
利息收入	Interest income	(17,990)	(17,616)
上市證券買賣之淨收益	Net gains on dealing in listed investments	<u>(5,384)</u>	<u>(2,478)</u>

4. 財務費用

4. Finance Costs

截至六月三十日止六個月 (以千港元為單位)	Six months ended 30 June (In HK\$ thousands)	2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)
須於五年內悉數歸還 之貸款利息：	Interest on borrowings wholly repayable within five years:		
銀行貸款	Bank loans	20,483	22,337
信託票據貸款	Trust receipt loans	10,649	22,677
銀行透支	Bank overdrafts	1,329	963
總利息	Total interest	32,461	45,977
減：利息資本化	Less: Interest capitalised	(647)	(2,981)
		31,814	42,996

5. 稅項

5. Tax

截至六月三十日止六個月 (以千港元為單位)	Six months ended 30 June (In HK\$ thousands)	2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)
本期：	Current:		
香港	Hong Kong	7,912	2,003
其他地區	Elsewhere	15,997	44,581
遞延	Deferred	(289)	(1,286)
本公司及其附屬公司 之稅項	Tax attributable to the Company and its subsidiaries	23,620	45,298
應佔一間共同控權合資 企業之稅項	Share of tax attributable to a jointly-controlled entity	3,373	1,019
應佔聯營公司之稅項	Share of tax attributable to associates	7,156	2,255
		34,149	48,572

香港利得稅按期內在
香港產生之估計應課稅溢利以17.5% (二零零三年:17.5%)
之稅率計提撥備。其他地區
應課稅溢利之稅項乃根據
本集團經營業務所在國家
之現行法律、詮釋及常規，
按其現行稅率計算。

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. 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.

5. 稅項 (續)

適用本公司及其大多數附屬公司經營所在國家按法定稅率計算之除稅前溢利之稅項開支，與按本集團實際稅率計算之稅項開支之對帳，以及適用稅率（即法定稅率）與實際稅率之調節如下：

5. Tax (Continued)

A reconciliation of the tax expense applicable to profit before tax using the applicable rates (i.e. statutory tax rates) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the Group's effective tax rates and a reconciliation of the applicable rates to the effective tax rates is as follows:

截至六月三十日止六個月 (以千港元為單位)	Six months ended 30 June (In HK\$ thousands)	2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)
除稅前溢利	Profit before tax	136,632	156,616
按香港法定稅率計算之稅項	Tax at Hong Kong statutory tax rate	23,911	27,408
海外附屬公司、聯營公司及 共同控權合資企業較高稅率 (7.5%至33%不等) 所產生之 稅務影響	Tax effect arising from higher tax rates of overseas subsidiaries, associates and a jointly-controlled entity, ranged from 7.5% to 33%	8,492	19,772
釐定應課稅溢利時不可扣稅 淨開支之稅務影響	Tax effect arising from net expenses that is not deductible in determining taxable profits	1,273	3,671
香港利得稅率上升所導致 期初遞延稅項之影響	Effect on opening deferred tax resulting from increase in Hong Kong profits tax rate	–	(440)
運用稅項虧損	Utilisation of tax losses	(4,326)	(2,749)
未確認之稅項虧損	Tax losses not recognised	6,665	10,613
以往期間之當期稅項調整	Adjustments in respect of current tax of previous periods	(42)	–
重估租賃物業而產生之 應課稅項時差之撥回	Reversal of taxable timing difference arising on revaluation of leasehold properties	(2,923)	(1,996)
本集團若干海外投資之 未匯出收益所產生應課稅 時差之確認／(撥回)	Recognition/(reversal) of taxable timing difference arising on the unremitted earnings of the Group's certain overseas investments	1,099	(7,707)
按本集團實際稅率 計算之稅項支出	Tax charge at the Group's effective rate	34,149	48,572

6. 每股盈利

截至二零零四年六月三十日止六個月之每股基本及攤薄盈利乃根據以下數據計算：

6. Earnings Per Share

The calculations of basic and diluted earnings per share for the six months ended 30 June 2004 are based on:

截至六月三十日止六個月 (以千港元為單位)	Six months ended 30 June (In HK\$ thousands)	2004 (未經審核) (Unaudited)	2003 (未經審核) (Unaudited)
盈利	Earnings		
用作計算每股基本及攤薄盈利之本期股東應佔溢利	Net profit attributable to shareholders for the period, used in the basic and diluted earnings per share calculations	95,068	103,179
		股份數目 Number of shares	
		2004	2003
股份	Shares		
用作計算每股基本盈利之本期已發行普通股之加權平均股數	Weighted average number of ordinary shares in issue during the period used in basic earnings per share calculation	953,076,212	951,168,826
普通股加權平均股數： 假設期內無償下行使所有認股權證而發行	Weighted average number of ordinary shares: Assumed issued at no consideration on deemed exercise of all warrants outstanding during the period	35,643,721	44,033,990
用作計算每股攤薄盈利的普通股加權平均股數	Weighted average number of ordinary shares used in diluted earnings per share calculation	988,719,933	995,202,816

7. 股息

於二零零四年九月十六日召開之董事會會議上，董事建議不派發截至二零零四年六月三十日止六個月之中期股息（二零零三年：無）。

7. Dividend

At a meeting of the Board of Directors held on 16 September 2004, the directors did not recommend the payment of an interim dividend for the six months ended 30 June 2004 (2003: Nil).

8. 存貨**8. Inventories**

<i>(以千港元為單位)</i>	<i>(In HK\$ thousands)</i>	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
汽車及零件	Motor vehicles and spare parts	1,193,508	1,216,086
機械及零件	Machinery and spare parts	953,708	390,292
		2,147,216	1,606,378

按可變現淨值入賬之存貨賬面值為31,271,000港元（二零零三年十二月三十一日：60,582,000港元），已計入上述結餘。

The carrying amount of inventories carried at net realisable value included in the above balance was HK\$31,271,000 (31 December 2003: HK\$60,582,000).

9. 持有作銷售之物業**9. Properties held for sale**

<i>(以千港元為單位)</i>	<i>(In HK\$ thousands)</i>	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
持有作銷售物業之成本值	Properties held for sale, at cost	221,811	288,879
減：可預見將來虧損撥備	Less: Provision for foreseeable loss	—	(5,469)
		221,811	283,410

10. 應收賬款

本集團給予大部份客戶三十至六十日信貸期。由於不同業務形式，小部份客戶獲給予九十至一百五十日信貸期。本集團力求嚴格監控其未收之應收賬款，除設有信貸控制，高層管理人員定期檢討過期未付之賬項，務求減低信貸風險。

根據到期付款日及扣除撥備淨值之應收賬款賬齡之分析如下：

10. Trade Receivables

The Group has granted credit to substantially all its debtors ranging from 30-60 days. Due to certain trade patterns, a minority of debtors have been given a credit period of 90-150 days. The Group seeks to maintain strict control over its outstanding receivables and has credit control to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The aged analysis of trade receivables, based on payment due date and net of provision, is as follows:

(以千港元為單位)	(In HK\$ thousands)	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
未到期	Current	460,958	554,609
零至三個月	0 – 3 months	187,281	121,370
四至六個月	4 – 6 months	34,335	23,172
七至十二個月	7 – 12 months	40,658	29,036
逾一年	Over 1 year	35,921	11,282
		<u>759,153</u>	<u>739,469</u>

11. 應付賬款及票據

根據到期付款日之應付賬款及票據之賬齡分析如下：

11. Trade and Bills Payables

The aged analysis of trade and bill payables, based on payment due date, is as follows:

(以千港元為單位)	(In HK\$ thousands)	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
未到期	Current	1,210,586	1,509,718
零至三個月	0 – 3 months	22,823	363,480
四至六個月	4 – 6 months	11,766	8
		<u>1,245,175</u>	<u>1,873,206</u>

12. 已發行股本

12. Issued Capital

(以千港元為單位)	(In HK\$ thousands)	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
法定股本： 2,000,000,000股每股 面值1港元之普通股	Authorised: 2,000,000,000 ordinary shares of HK\$1 each	<u>2,000,000</u>	<u>2,000,000</u>
已發行及繳足股份： 1,038,367,633股每股面值 1港元之普通股 (二零零三年： 951,168,826股)	Issued and fully paid: 1,038,367,633 (2003: 951,168,826) ordinary shares of HK\$1 each	<u>1,038,368</u>	<u>951,169</u>

於本期間，因本公司認股權證獲行使，已按行使價每股3港元發行每股面值1港元之87,198,807股股份並獲得總現金代價261,597,000港元（未計費用）。

During the period, 87,198,807 shares of HK\$1 each were issued for cash at an exercise price of HK\$3 per share pursuant to the exercise of the Company's warrants for a total cash consideration, before expenses, of HK\$261,597,000.

於本期間，與上述本公司普通股股本變動相關之交易概要如下：

A summary of the transactions during the period with reference to the above movement in the Company's ordinary share capital is as follows:

	已發行 股份數目 Number of shares in issue	已發行 及繳足 Issued and fully paid (未經審核) (Unaudited)	股份溢價 Share premium (未經審核) (Unaudited)	總計 Total (未經審核) (Unaudited)
於二零零四年一月一日	At 1 January 2004	951,168,826	951,169	2,459,521
行使認股權證 而發行股份	Share issued on exercise of warrants	87,198,807	87,199	217,997
於二零零四年六月三十日	At 30 June 2004	<u>1,038,367,633</u>	<u>1,038,368</u>	<u>2,677,518</u>

(以千港元為單位)
(In HK\$ thousands)

於本期間，有87,198,807份認股權證獲行使而發行87,198,807股份每股面值1港元，發行價每股3港元。於二零零四年六月三十日，本公司有103,030,367份未獲行使認股權證。倘該等認股權證獲全額行使，根據本公司現有股本架構，則須額外發行103,030,367股份每股面值1港元。

During the period, 87,198,807 warrants were exercised for 87,198,807 shares of HK\$1 each at a price of HK\$3 per share. At 30 June 2004, the Company had 103,030,367 warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, result in the issue of 103,030,367 additional shares of HK\$1 each.

13. 或然負債

於二零零四年六月三十日，本集團附有追索權之貼現票據及銀行擔保之或然負債分別為656,325,000港元（二零零三年十二月三十一日：689,823,000港元）及12,641,000港元（二零零三年十二月三十一日：25,292,000港元）。

14. 抵押資產

本集團之銀行貸款6,800,000港元（二零零三年十二月三十一日：6,500,000港元）以本集團租賃土地及樓宇作抵押，該租賃土地及樓宇於二零零四年六月三十日賬面淨值約為11,250,000港元（二零零三年十二月三十一日：10,754,000港元）。

於二零零三年十二月三十一日，本集團之短期銀行貸款743,130,000港元以銀行外幣存款864,887,000港元作為固定抵押擔保。

13. Contingent Liabilities

At 30 June 2004, the Group had contingent liabilities in respect of bills discounted with recourse and bank guarantees, amounting to HK\$656,325,000 (31 December 2003: HK\$689,823,000) and HK\$12,641,000 (31 December 2003: HK\$25,292,000), respectively.

14. Pledge of Assets

A bank loan of the Group amounting to HK\$6,800,000 (31 December 2003: HK\$6,500,000) was secured by the Group's leasehold land and buildings, which had an aggregate net book value at 30 June 2004 of approximately HK\$11,250,000 (31 December 2003: HK\$10,754,000).

At 31 December 2003, the Group's short term bank loans amounting to HK\$743,130,000 were secured by fixed charges on foreign currency bank deposits of HK\$864,887,000.

15. 經營租約之安排

(a) 作為租賃公司

本集團根據經營租約將其投資物業出租，租約條款一般規定租戶須繳交按金，並基於市場情況，可定期調整租金。

於二零零四年六月三十日，根據與租戶訂立之不可撤銷經營租約，本集團未來最少應收之租金如下：

15. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At 30 June 2004, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

(以千港元為單位)	(In HK\$ thousands)	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
一年內	Within one year	10,608	14,295
第二至第五年 (首尾兩年包括在內)	In the second to fifth years, inclusive	4,291	11,740
		14,899	26,035

(b) 作為承租公司

本集團部份辦公室物業是以經營租約租用。於二零零四年六月三十日，根據不可撤銷之經營租約，本集團未來最少須付之租金如下：

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. At 30 June 2004, the Group had total future minimum payments under non-cancellable operating leases falling due as follows:

(以千港元為單位)	(In HK\$ thousands)	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
一年內	Within one year	28,276	24,530
第二至第五年 (首尾兩年包括在內)	In the second to fifth years, inclusive	56,702	47,386
第五年以上	Beyond five years	95,012	70,069
		179,990	141,985

16. 承擔**16. Commitments***(a) 資本承擔**(a) Capital commitments*

<i>(以千港元為單位)</i>	<i>(In HK\$ thousands)</i>	六月三十日 30 June 2004 (未經審核) (Unaudited)	十二月三十一日 31 December 2003 (經審核) (Audited)
已訂約但未撥備	Contracted, but not provided for	480,476	470,633
已授權但未訂約	Authorised, but not contracted for	55,639	26,369
		536,115	497,002

*(b) 金融衍生工具**(b) Financial derivatives*

於二零零四年六月三十日，本集團未有任何遠期外匯合約（二零零三年十二月三十一日：832,763,000港元）。

At 30 June 2004, the Group did not have any commitments in respect of foreign exchange forward contracts (31 December 2003: HK\$832,763,000).

17. 比較數額**17. Comparative Amounts**

由於前一年度採納經修訂之會計實務準則第12號以修訂利得稅之會計處理方法，故若干比較數字已作重列。若干比較款額已作重列以符合本期之呈列方式。

Due to the adoption of the revised SSAP No. 12 for accounting treatment of incomes taxes in the previous year, certain comparative figures have been restated. Also, certain comparative amounts have been restated to conform with the current period's presentation.

業務回顧

汽車部

二零零四年首六個月期間汽車部營業額較去年同期上升17%。高檔汽車在中國大陸、台灣及韓國市場競爭激烈，加上歐元對當地貨幣表現持續升值，對毛利構成壓力，呈現若干品牌汽車價格上調。

中國

二零零四年首五個月期間持續強勁的經濟增長推動本地生產總值上升9.8%。這使得眾多富裕及中產消費者數量及其可支配收入穩定增加。中國履行世貿組織（「世界貿易組織」）成員國的責任，連續第三年削減進口關稅，導致大多數進口汽車價格隨之下降。二零零四年一月份，3公升以上汽車關稅由43%下降至37.6%；而3公升以下汽車關稅由38.2%調低至34.2%。

二零零三年下半年，中央政府加強關注經濟過熱，並採取貨幣控制政策。為了限制購買汽車需求，收緊的汽車貸款之相關規定於本年第二季起執行。貸款銀行現要求多至50%之首期，而以往只為20%。

二零零四年上半年市場對進口汽車總體需求量的結果是較去年同期上漲6.7%，幅度令人失望，並對汽車生產商造成打擊，觸發汽車生產商之間加劇競爭，導致價格下降。

Operational Review

Automobile Division

The Automobile Division's turnover rose by 17% during the first six months of 2004 compared with the same period of last year. The Mainland China, Taiwan and Korea markets were characterised by intense competition in the luxury automobile sector and the continued strength of the Euro against local currencies, which put pressure on margins and forced increases in the prices of some brands.

China

Continued strong economic growth raised GDP by 9.8% during the first five months of 2004. As a result, the number of rich and middle-class consumers, and their disposable incomes, grew steadily. Prices of most imported automobiles declined following reductions of customs import duty for the third successive year as part of China's commitment to WTO (World Trade Organization) membership. In January 2004, the duty on vehicles of 3 litres and above was reduced from 43% to 37.6% ; while the duty on vehicles of below 3 litres was cut from 38.2% to 34.2%.

In the latter half of 2003, the Central Government became increasingly concerned about overheating in the economy and began tightening monetary policies. In order to restrain car-purchasing demand, tighter credit for auto-financing regulations was implemented in the second quarter of this year. Financing banks are now asking for down-payments of as much as 50%, compared to 20% previously.

The outcome was a disappointing 6.7% increase in the overall demand for imported cars for the first half of 2004, compared to the same period last year. This was a setback for the auto manufacturers and created even more intense competition amongst them, and as a result, prices declined.

由於維修中心汽車處理量增加，以及執行清理滯銷產品的決定，汽車零件營業額相應上升。本公司嚴格控制企業經常費用及其他開支，使之維持在預算目標之內。

展望未來，中國政局穩定，經濟增長強勁，儘管步伐有所減緩，但將持續增長。消費者可支配收入應會增加，促使汽車市場整體蓬勃發展。基於對世貿組織的承諾，中國政府將繼續逐漸放寬汽車零售及汽車貸款行業，由此可為將來創造更多銷售機會。鑒於本年度下半年對本集團來說是一個嚴峻考驗，故本部門對未來數月仍會保持審慎。本公司董事會認為本公司擁有雄厚財務實力、穩固的銷售及售後支援網絡和專業人士，足以應付面臨之該等挑戰。本公司加強實力，增加開設「3S」(標準展示及服務中心)門市，包括在中國各大城市的新代理商店。本公司在上海的多功能旗艦大廈已於近期完成並啟用，這將帶來有利的影響。

台灣

本部門經銷平治及戴姆勒克萊斯勒汽車，包括克萊斯勒及微型轎車。

於本回顧期間，平治汽車高昂的銷售價格使其處於不利的競爭位置。然而，本部門透過有效的外匯對沖及樹立品牌形象，緩解了不利形勢。技術支援水平亦有提昇以確保所有品牌汽車的服務質素。

The turnover of parts increased as a result of the increase in vehicle throughput in the workshops and the decision to dispose of slower-moving items. Careful monitoring of overheads and other expenses ensured that costs remained within budgetary targets.

Looking ahead, China's political environment is stable, and its strong economic growth is set to continue, albeit at a slower pace. Consumer disposable income will likewise increase, contributing to the automobile market's overall growth. Under its commitments to the WTO, the Chinese Government will continue to liberalise the auto-retailing and auto-financing industry gradually, thus creating opportunities to increase sales in the near future. The Division remains cautious about the coming months, as the second half of this year will prove to be extremely challenging for the Group. Our Board believe that we have strong financials, well established sales and after-sales support network and professionals to meet these challenges ahead. Our strength is further bolstered by the opening of more "3S" (standard showrooms and service centre) outlets, including new dealerships in various cities of China. The new multi-functional flagship building in Shanghai has recently been completed and opened, and this will have a favourable effect.

Taiwan

The Division distributes Mercedes-Benz and Daimler-Chrysler automobiles, including Chrysler and Smart.

During the six months under review, the higher selling prices of Mercedes-Benz automobiles created an unfavourable competitive position for our vehicles. However, the Division successfully mitigated this problem through effective foreign currency hedging and brand positioning in the market. Technical support levels were also increased to ensure service quality for all the brands.

於未來數月，台灣的經濟發展計劃預計會促進經濟增長。進口關稅將繼續下降，使進口汽車價格較當地豪華品牌汽車更容易被接受購買。然而，進一步上升的石油價格可抵銷關稅下降的效果。

面對這些趨勢，本部門將繼續加強客戶關係管理。由建立一套完整以客戶為主的程序及以資訊為背景的科技連繫業務單位及銷售網絡，目的為了提升客戶的滿足感及對品牌的擁戴。

售後服務部正推出若干計劃提高員工整體技術水平，包括為代理行維修車間委任指定服務顧問及技師，以便達到「Fix First Visit」的目標。

韓國

韓國經濟受二零零四年上半年疲弱的本地消費打擊。此乃由於過度刺激國內消費導致國民負債高企。與北韓緊張的政治關係亦導致投資者流失及消費者信心下降。

政府試圖大力推動改革抵禦強烈反對力量，故未來數月的經濟及政治形勢仍不明朗。出口表現保持強勁而政府最近數月亦調低利率以刺激國內需求。兩個新維修中心項目於七月份完成並投入使用。新增在大峙的陳列室將會提高下半年銷售量。客戶服務培訓得到加強以抗衡來自其他品牌汽車的競爭。售後服務程序及系統亦將於未來數月相應提升。

During the coming months, Taiwan's economic development plans are expected to boost economic growth. Import customs duties will continue to decrease, making imported cars more affordable, compared to domestic luxury brands. However, further increases in oil prices may negate the effects of custom duty reduction.

In light of these trends, the Division will continue to strengthen its customer relationship management. By establishing an integrated customer-oriented process and information technology landscape within and across business units and retail network, it aims to enhance the customer satisfaction and brand loyalty.

The After-Sale Services Department is launching several projects to upgrade the overall skill levels of its personnel, including the appointment of service advisors and technicians at dealer workshops, in order to achieve a target of "Fix First Visit".

Korea

Korea's economy was hit by weakened domestic consumption during the first half of 2004. This was partly due to high household debts caused by over-zealous efforts to stimulate domestic consumption. Political tensions with North Korea also contributed to a loss of investor and consumer confidence.

The economic and political situation for the coming months remains uncertain, as the Government attempts to push through reforms against strong opposition. Exports remain strong and the Government has reduced interest rates in recent months to stimulate domestic demand. Two new workshop projects were completed and went into operation in July. The addition of the Daechi showroom is also expected to increase sales volumes in the second half. Customer service training is being stepped up to counteract competition from other brands. After-sales processes and systems will likewise be enhanced during the coming months.

機械部

於二零零四年度上半年，本集團機械部之營業額略有微降。

由於中國眾多城市嚴重短缺電力，對發電機需求大增，故零件銷售及服務收入持續上升。本部門在本年首四個月穩佔對挖掘機擴大部份的需求。然而，政府為使經濟降溫而實施的宏觀經濟調控嚴重影響機械銷售的增長，同時機械銷售亦因缺少有競爭性融資安排提供予客戶而受到影響。

預計未來六個月內全國範圍電力短缺仍會持續，對發電機的需求與去年同期相比將有所增加。本部的主要競爭優勢將仍在於其遍佈廣大的分支網絡，提供覆蓋全面的銷售和現場服務給與客戶，及其產品支援能力足以優越其他競爭對手。在上海啟用的新大廈可容納整個電力系統部門人員集中營運，亦為另一個主要優勢。

地產部

地產部的寶星園項目為一個總面積約為400,000平方米的三期住宅開發項目，位於北京望京小區，為一個目標市場針對本地中檔收入居民及亞裔海外僱員的高速發展區。

根據本部門計劃，寶星園的第一期已大部份出售，其餘作出租予租戶。第二期單位計劃於今年最後一季開始銷售。配合市場需求，針對中檔市場的小單位將佔較高比例。第二期的初步市場反應令人鼓舞，預計可締造良好銷售業績。

Machinery Division

The Machinery Division's turnover dropped slightly during the first half of 2004.

Sales of parts and services continued to increase, as massive power shortages in many of the cities in China fuelled demand for power generators. The Division was also able to capture an expanded share of the growing demand for hydraulic excavators in the first four months of this year. However, the macroeconomic controls imposed by the Government to cool the economy have severely hampered the growth of machine sales, which also suffered from a lack of competitive financing for end-users.

The nationwide power shortage is expected to persist during the coming six months, and demand for generators is likely to remain at a higher level than for the same period last year. The Division's key competitive advantage will be its extensive branch network, which provides comprehensive sales and field service coverage to customers and a product support capability that differentiate it from its competitors. The opening of a new building in Shanghai to house the entire Power Systems team under one roof will be another key differentiation.

Property Division

The Division's Starcrest development is a three-phase residential project totalling around 400,000 square metres. It is located in the Beijing's Wangjing district, a fast-growing area of middle income local residents and Asian expatriates.

Phase 1 of Starcrest is substantially all sold and leased to tenants according to the Division's plan. Units in Phase 2 are scheduled to go on sale in the last quarter of this year. In line with market demand, there will be a higher percentage of smaller apartments, for the middle-market segment. The initial response to Phase 2 has been encouraging, and sales are expected to be good.

地產部的延安西路開發項目已經開始興建住宅及商業部份，而混凝土路面已經完成。該項目亦計劃於今年最後一季開始銷售。

在經濟宏觀調控政策下，中國政府不僅限制貸款予物業發展商，並收緊銀行貸款及零售融資以限制物業業主可購買的房屋單位數量。本部門期望此措施可淘汰經濟實力微弱的發展商及呈現比以前更蓬勃的房地產行業。

地產部將繼續致力於以物有所值的價格向中檔市場提供優美環境的高質素公寓。對開發及財務成本的有效管理亦將繼續成為關注重點，確保獲得滿意的投資回報。

排除不可預見情況，展望未來，高消費能力及成為住房業主的願望，再加上望京區及延安西路開發項目的優越地段將繼續為本部門今年最後一季售樓創造有利的條件。

貿易部

貿易部二零零四年上半年的銷售表現穩定。以木材為主的貿易在數量及銷售額均有下降。另一方面，手錶配件及化肥銷售業績良好。

中國木材市場雖然活躍，但上半年行業競爭仍然異常激烈，原木進口供應來源地超過15個國家。飾面板、三合板及其他木制品價格持續下跌，使原木價格受壓。自二零零四年三月份起海運貨船艙位嚴重缺乏，導致海運運費大幅上升，從而加劇木材進口行業的不利形勢。此時適逢政府為經濟降溫而突然實施緊縮政策並收緊銀行信貸，情況更為不利。

The Division's development project on Yan An Xi Road commenced construction of residential and commercial areas and ground floor slab has completed. Sales for this project is also expected to commence in the last quarter of this year.

Under its macro-economic policies, in addition to restricting loans to property developers, the Government has also tightened bank lending and retail financing to limit the number of housing units permitted to be purchased by each homeowner. We expect these measures to weed out the financially weak developers and the property industry will emerge stronger than before.

The Division remains committed to offering the middle-market sector quality apartments in an attractive environment at value-for-money prices. The effective management of development and financial costs will also remain a key focus, so as to ensure a satisfactory return on investments.

Barring unforeseen circumstances, looking ahead, we anticipate that the high purchasing power and aspiration to be homeowners, coupled with good locations of the Wangjing and Yan An Xi Road projects will contribute to positive conditions for the our sales in the last quarter of this year.

Trading Division

The Trading Division's sales remained steady during the first half of 2004. The wood-based trading business suffered a downturn in both volume and sales. On the other hand, sales of watch movements and fertilisers fared better.

The market in wood products in China, while very active, also remained extremely competitive during the first half, with imports of log supplies coming from more than 15 countries around the world. Continuing weaknesses in the prices of veneers, plywood and other wood-based finished products failed to lift the prices of round logs. These adverse factors were further aggravated by a dramatic increase in ocean freight charges, arising from an acute shortage of cargo ship space from March 2004 onwards. This coincided with the sudden imposition of austerity measures and tightening of bank credit by the Government; steps which are aimed at cooling the economy.

平穩高企的農產品價格，加上進口國家零售行業的總體改善使上半年化肥銷售增長約29%，儘管進一步促銷的努力受到供應及艙位短缺的限制。持續高昂的海運費亦使若干供應商毀約。

預測增長放緩及預期中國經濟面臨軟著陸均預示本年度下半年木材貿易表現未為理想。儘管如此，鑒於舉辦北京二零零八年奧運會、上海二零一零年世界博覽會以及其他國際盛事的設施上對持續基建發展需要，本集團仍然對中國的木材需求，尤其是熱帶木材，在短期內將再度回升保持審慎樂觀。同時，預期出口往經濟發展中的印度及越南的木材付運量預期會於下半年增加。

香港在長期通縮及消費疲弱影響下，手錶配件業務受到打擊，預期下半年世界經濟復甦緩慢，加上受益於香港與中國大陸之間的更緊密經貿關係安排（CEPA），將刺激營業額增長。在無不可預見因素下，化肥貿易營業額亦會於下半年保持一般水平。

考慮所有上述因素後，本集團相信貿易經營條件於未來數月維持一樣。

Steady and sustained agricultural commodity prices, plus a general improvement in the retail economies of importing countries, helped increase sales of fertilisers by about 29% in the first half, although efforts to further improve sales were hampered by a general shortage of supplies and difficulties in securing ship space. Continuing high ocean freight charges also resulted in some suppliers reneging on a few contracts.

The forecast of an imminent growth slowdown as well as the expectation of a soft landing in the China economy do not bode well for timber trading in the second half of this year. Nevertheless, the Group remains cautiously optimistic that China's demand for timber, especially tropical wood, will rise again in the short term, given the ongoing infrastructure development required for the 2008 Olympics in Beijing and the 2010 World Expo in Shanghai, as well as facilities for other international events. At the same time, log shipments to India and Vietnam, where the economies are growing, are expected to increase during the second half.

Following a prolonged period of deflation and weak consumption, which subdued the watch component business in Hong Kong, an anticipated mild revival in the world economy during the second half of the year, together with the growing economic benefits of the Closer Economic Partnership Arrangement (CEPA) between Hong Kong and Mainland China, are set to stimulate an increase in turnover. Barring unforeseen developments, fertiliser-trading turnover is also expected to remain on track during the second half.

Considering all these factors, the Group believes that trading conditions may remain much the same during the coming months.

金融投資及服務部

本部營業額於二零零四年首四個月錄得明顯增長。皆因香港證券市場及全球市場投資氣氛改善所致。海外市場業務量亦有所增長。同時，油價飆升、可能提高的美元利率、中東政治不穩定以及中國實施宏觀經濟調控均限制本部門業務發展。

未來六個月中，本部門可能面臨異常激烈的競爭局面。監管機構如證券及期貨事務監察委員會（證監會）可能制定更加嚴格的規定。預期財政資源規則將會提高所需股本及流動資金，這亦會帶來經營成本上升。

對此，本部門將憑藉控股公司的強大財政實力，縱然在困難時刻亦有更大靈活性擴展或改善資源。本部門主要目標乃為獲取盈利及擴大金融服務領域的市場佔有率。達至此等目標的主要策略為擴大金融產品種類以供客戶選擇，及進行更多的推廣活動，宣傳本公司在行業中的形象。本部門擬引進網上交易及有意參與証券分包銷售業務，增加招聘客戶主任以提高交易量，其他行動如改善給予客戶的程序及服務。本部門將實施專用網絡系統(PNS)與第三代自動對盤系統(AMS/3)以提高業務操作速度及加強風險管理。

Financial Investment and Services Division

The turnover of the Division increased substantially during the first four months of 2004. This was mainly attributable to improvements in the Hong Kong stock market, and better sentiment in global markets. There was also a growth in business volumes in overseas markets. At the same time, higher oil prices, possible increases in US interest rates, political instability in the Middle East, and China's imposition of macroeconomic controls all hampered the growth of its business.

During the coming six months, the Division is likely to face a very tough competitive environment. It is possible that regulatory bodies such as the Securities and Futures Commission (SFC) may tighten their requirements. An anticipated rise in the required share capital and liquid capital for the Financial Resources Rules (FRR) will also boost operating costs.

In response, the Division will leverage on the strong financial backing of its holding company, which gives it extra leeway to expand or improve its resources, even in difficult times. Its main objectives will be profitability and increased market share in the financial services area. The main strategies for achieving these will be to expand the range of financial products that can be offered to customers, and more marketing activities to promote the Company's image in the industry. Internet trading will be introduced, and the Division intends to participate in sub-underwriting. Additional account executives will be recruited to boost sales volumes. Actions will be taken to improve processes and services to customers. The implementation of a Proprietary Network System (PNS) in conjunction with AMS/3 will also serve to speed up trade execution time, and enhance risk management.

財務回顧

流動資金及資金來源

本集團之財政狀況保持穩健。於二零零四年六月三十日，本集團股東權益由二零零三年十二月三十一日之4,425,000,000港元增加至4,783,000,000港元。

於二零零四年六月三十日，本集團之銀行信貸總額為6,909,000,000港元（二零零三年十二月三十一日：6,028,000,000港元），而定期貸款則達1,152,000,000港元（二零零三年十二月三十一日：954,000,000港元）。本集團資本支出及營運資金需求導致借貸增加，惟已由償還期內到期之定期貸款抵銷。本集團具備充足財務資源及銀行信貸，足以應付持續的業務拓展及營運所需，包括應付二零零四年度資本支出。

本集團貸款之還款期如下：

一年內	Within one year	HK\$626,000,000
第二年	In the second year	HK\$129,000,000
第三年至第五年 (首尾兩年包括在內)	In the third to fifth years, inclusive	HK\$350,000,000
第五年以上	Beyond five years	HK\$47,000,000

資本與負債比率

本集團之資本與負債比率（長期負債與股東權益之比率）為11%（二零零三年十二月三十一日：12%）。截至二零零四年六月三十日止期間，經營溢利與財務費用之比例為3.8倍（截至二零零三年六月三十日止期間：4.4倍）。

Financial Review

Liquidity and Financial Resources

The Group's financial position remains strong. At 30 June 2004, the Group's shareholders' funds increased to HK\$4,783 million as compared to HK\$4,425 million as at 31 December 2003.

As at 30 June 2004, the Group's total banking facilities stood at HK\$6,909 million (31 December 2003: HK\$6,028 million) of which term loans amounted to HK\$1,152 million (31 December 2003 : HK\$954 million). An increase in borrowing for the Group's capital expenditure and working capital requirement was offset by repayments on the terms loans due during the period. The Group has sufficient financial resources and adequate banking facilities to fund its ongoing operations, including capital expenditure in year 2004.

The maturity profile of the Group's term loans are:

Within one year	HK\$626,000,000
In the second year	HK\$129,000,000
In the third to fifth years, inclusive	HK\$350,000,000
Beyond five years	HK\$47,000,000

Gearing

The Group's gearing ratio measured on the basis of long term debt to equity was 11% (31 December 2003: 12%). Profit from operating activities covered 3.8 times over the finance cost for period ended 30 June 2004 as compared to 4.4 times for period ended 30 June 2003.

股本架構

於本期間，本公司認股權證獲行使並收取總現金代價261,597,000港元（未計費用），據此本公司按行使價每股3港元發行87,198,807股每股面值1港元。

利率及外匯風險

本集團之資金運用反映每項業務之資本架構。所有融資及財務活動均由財務部集中監控。財務部會整頓其資產及負債以配合借貸年期，並控制有關利率水平及前景之利率風險。本集團亦會購入遠期合約，以對沖匯率波動帶來之風險。

業務展望

展望未來，油價高企的不穩定情況、美元利率上升及中東政局不穩均為本集團未來須面對的挑戰。

儘管政府現行宏觀經濟措施減緩發展步伐，但憑藉中國經濟穩健增長，政局穩定，業務投資及消費需求將得以維持。本集團對新項目採取審慎態度，但未來將繼續謹慎投資於中國市場，特別是汽車、房地產及機械業務。

此外，本集團正留意亞洲區發展前景，蓄勢拓展其核心業務。

至於集團內部，本集團定期審核各項程序以精簡、改善及提升其營運系統及人力資源。二零零四年餘下時間對本集團而言將充滿挑戰。董事會堅信本集團擁有充裕的資源、財力及其他實力，足以應付未來的挑戰。

Capital Structure

During the period, 87,198,807 shares of HK\$1 each were issued for cash at an exercise price of HK\$3 per share pursuant to the exercise of the Company's warrants for a total cash consideration, before expenses, of HK\$261,597,000.

Interest Rates and Foreign Currency Exposure

The Group's funding reflects the capital structure of each business. All its financing and treasury activities are monitored by a Central Treasury at the corporate level. The Central Treasury structures to match the tenure of its borrowing with its assets and liabilities and manages its interest rate exposure in relation to the interest rates level and outlook. The Group also aims to minimise its risks of currency exposure by buying forward, through hedging mechanisms, where appropriate.

Prospects

Looking ahead, the uncertainty of high oil prices, US\$ interest rate hike and political instability in the Middle East will continue to pose challenges to the Group.

China's positive economic growth and political stability will support business investments and consumer demand, albeit at a more controlled pace with the Government's macro-economic measures in place. The Group will be cautious on new projects but will continue to invest prudently in China for the future, particularly in the automobile, property and machinery businesses.

In addition, the Group is looking at prospects within Asia for the expansion of its core businesses.

Internally, the Group conducts periodic reviews on its processes to streamline, improve and upgrade its systems and human resource. The remaining months of 2004 will prove to be challenging for the Group. The Board remains confident that the Group has the resources, financial and otherwise, to face these challenging times.

僱員政策

本集團僱員政策採納所在行業或國家之最佳標準，以吸納、推動及保留優秀員工。同時，更定期按各國不同行業情況衡量本集團薪酬及獎勵計劃，以確保本集團的薪酬政策與本身經營所在地的市場一致。

董事於股份及相關股份之權益及淡倉

於二零零四年六月三十日，本公司根據證券及期貨條例第352條而保存之登記冊所載，各董事於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股本及認股權證權益及淡倉；或須根據上市公司董事進行證券交易的標準守則知會本公司及聯交所之權益及淡倉如下：

1. 本公司之普通股好倉：

Employment Policy

The Group's remuneration policy applies best industry/country standards to attract, motivate and keep a quality work force. We constantly measure our remuneration and reward scheme within and across industries in various countries to ensure that the Group's remuneration policy is in line with the industries and markets in which we operate.

Directors' Interests and Short Positions in Shares and Underlying Shares

At 30 June 2004, the interests and short positions of the directors in the share capital and warrants 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 required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

1. Long positions in ordinary shares of the Company:

董事姓名 Name of director	所持有股份數目、身份及權益性質 Number of shares held, capacity and nature of interest				總計 Total	佔本公司之 已發行股本 百分比 Percentage of the Company's issued share capital
	直接 實益擁有 Directly beneficially owned	透過配偶或 未成年 子女持有 Through spouse or minor children	透過受控制 公司持有 Through controlled corporation	信託受益人 Beneficiary of a trust		
林宜穎 Lim Mooi Ying, Marianne	附註 Note	-	-	60,000	-	60,000 0.006

董事於股份及相關股份之權益及淡倉 (續)

Directors' Interests and Short Positions in Shares and Underlying Shares (Continued)

2. 本公司之認股權證好倉：

2. Long positions in warrants of the Company:

董事姓名 Name of director	所持有認股權證數目、身份及權益性質 Number of warrants held, capacity and nature of interest			
	透過配偶或 未成年			
	直接 實益擁有 Directly beneficially owned	子女持有 Through spouse or minor children	透過受控制 公司持有 Through controlled corporation	信託受益人 Beneficiary of a trust

林宜穎 附註
Lim Mooi Ying,
Marianne Note

-	-	12,000	-
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附註：該等普通股及認股權證之公司權益由 Westwood Management Limited 持有，而林宜穎女士為該公司之控股股東。

Note: The corporate interests in these shares and warrants are held through Westwood Management Limited, of which Ms Lim Mooi Ying, Marianne is a controlling shareholder.

3. 購股權

3. Share option scheme

本公司於一九九七年六月二十五日採納之購股權計劃（「該計劃」）已於二零零二年六月二十四日屆滿。雖然不會根據該計劃進一步授出購股權，惟其所有條款對規管先前授出之所有購股權之行使仍然有效。該計劃之條款已於二零零三年之年報中披露，本公司已根據計劃向若干董事及僱員授出購股權以認購本公司股份。截至二零零四年六月三十日止六個月，授出購股權之詳情及尚未行使購股權變動之概況載於下文。

The share options scheme ("the Scheme") of the Company being adopted on 25 June 1997 has expired on 24 June 2002. Despite the fact that no further options may be granted under the Scheme, all its terms will remain in force to govern the exercise of all options previously granted. The terms of the Scheme were disclosed in the 2003 Annual Report. The Company has granted certain directors and employees of the Company options under the scheme to subscribe for shares of the Company. Details of the grant of share options and a summary of the movements of the outstanding share options during the six months ended 30 June 2004 are set out below.

董事於股份及相關股份之權益及淡倉 (續)

Directors' Interests and Short Positions in Shares and Underlying Shares (Continued)

3. 購股權 (續)

3. Share option scheme (Continued)

參與者姓名或類別 Name or category of participant	購股權數目 Number of share options			授出 購股權之日期 Date of grant of share options	購股權之行使期 Exercisable period of share options	購股權行使價 Exercise price of share options 港元 HK\$	於授出日 公司之股價 Price of Company's shares at grant date of options 港元 HK\$
	二零零四年 一月一日 At 1 January 2004	期內失效 Lapsed during the period	二零零四年 六月三十日 At 30 June 2004				
董事							
Directors							
顏健生	500,000	-	500,000	2-8-1997	1-9-1999 to 31-8-2007	5.89	7.75
GAN Khian Seng	200,000	-	200,000	24-1-1998	31-1-2000 to 30-1-2008	6.00	7.45
楊富山太平紳士	500,000	-	500,000	2-8-1997	21-8-1999 to 20-8-2007	5.89	7.75
YONG Foo San, JP	200,000	-	200,000	24-1-1998	27-1-2000 to 26-1-2008	6.00	7.45
韓福客	500,000	-	500,000	2-8-1997	2-8-1999 to 1-8-2007	5.89	7.75
HARMS Volker Josef Eckehard	200,000	-	200,000	24-1-1998	24-1-2000 to 23-1-2008	6.00	7.45
林宜穎	500,000	-	500,000	2-8-1997	2-8-1999 to 1-8-2007	5.89	7.75
LIM Mooi Ying, Marianne	200,000	-	200,000	24-1-1998	27-1-2000 to 26-1-2008	6.00	7.45
	<u>2,800,000</u>	<u>-</u>	<u>2,800,000</u>				
其他僱員總額	3,175,000	(10,000)	3,165,000	2-8-1997	(附註) (Note)	5.89	7.75
Other employees in aggregate	2,206,000	-	2,206,000	24-1-1998	(附註) (Note)	6.00	7.45
	<u>5,381,000</u>	<u>(10,000)</u>	<u>5,371,000</u>				
	<u>8,181,000</u>	<u>(10,000)</u>	<u>8,171,000</u>				

附註：授出之購股權可由持有人按計劃條款，於授出並視為接納日的第二週年起計八年內隨時行使。

Note: The granted share options may be exercised at any time during the period of eight years from the second anniversary of the date on which the share option is deemed to be granted and accepted by the holders in accordance with the provisions of the Scheme.

除上文所披露及其他代理人以信託形式為本公司持有附屬公司的若干權益外，於二零零四年六月三十日，概無董事或其聯繫人在本公司或其任何相聯法團擁有任何須記錄於按證券及期貨條例第352條規定而備存的登記冊中之股份、相關股份或債權證中的權益或淡倉，或任何根據上市公司董事進行證券交易的標準守則須通知本公司及聯交所之權益或淡倉。

Saved as disclosed above, and other than certain nominee interests in the subsidiaries held in trust for the Company, as at 30 June 2004, none of the directors or their associates had registered an interests or short position in the shares and underlying shares or debenture of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

主要股東權益

於二零零四年六月三十日，遵照證券及期貨條例第336條而保存之權益登記冊所載，下列股東於本公司已發行股本、購股權及認股權證中擁有5%或以上之權益：

好倉：

Substantial Shareholders' Interests

At 30 June 2004, the following interests of 5% or more of the issued share capital, share options and warrants of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

名稱 Name	身份及 權益性質 Capacity and nature of interest	持有 普通股數目 Number of ordinary shares held	佔本公司 已發行 股份百分比 Percentage of the Company's issued share capital	持有認股 權證數目 Number of warrants held
Victon Investment Limited	實益擁有人 Beneficially owned	235,282,761	23	47,056,551
Amerdale Investments Limited	實益擁有人 Beneficially owned	205,271,883	20	—

除上文所披露者及已載於上節「董事於股份及相關股份之權益及淡倉」內之一位公司董事權益外，並無任何人士需按證券及期貨條例第336條所規定，而曾經登記擁有本公司股份或相關股份之權益或淡倉。

Save as disclosed above, no person, other than a director of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

結算日後事項

林光宇先生已被委任為本公司執行董事，自二零零四年八月四日起生效。楊岳明先生由本公司獨立非執行董事，改任為本公司非執行董事，自二零零四年九月十六日起生效。楊先生仍留任為本公司審核委員會委員。萬浩邦先生已被委任為本公司獨立非執行董事，自二零零四年九月十七日起生效。

購買、出售或贖回上市證券

期內本公司或其附屬公司概無於回顧期內購買、出售或贖回本公司之上市證券。

審核委員會

審核委員會已會同管理層審閱本集團採用之會計準則及慣例，並已討論有關審核、內部監控及財務報告事項，包括審閱截至二零零四年六月三十日止六個月之未經審核簡明綜合中期財務報表。

Post Balance Sheet Event

Mr Lam Kwong Yu has been appointed as an Executive Director of the Company with effect from 4 August 2004. Mr Victor Yang has been re-designated from an Independent Non-Executive Director to a Non-Executive Director of the Company with effect from 16 September 2004 and he remains as a member of the Audit Committee of the Company. Mr Hubert Meier has been appointed as an Independent Non-Executive Director of the Company to take effect from 17 September 2004.

Purchase, Sale or Redemption of Listed Securities

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2004.

最佳應用守則

本公司獨立非執行董事因根據本公司之章程細則須輪換卸任及重選。除以上所述外，就董事目前所知，並無資料合理地顯示本公司於截至二零零四年六月三十日止六個月期間任何時候曾不遵守聯交所證券上市規則附錄十四之規定。

承董事會命

公司秘書
林宜穎

香港，二零零四年九月十六日

於本報告日，本公司之執行董事為顏健生先生、楊富山先生、韓福容先生、林宜穎女士及林光宇先生，而非執行董事為楊岳明先生及獨立非執行董事為馮家彬先生及Mr Christopher Patrick Langley。

Code of Best Practice

None of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited at any time during the six months ended 30 June 2004 except that the independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's articles of association.

By Order of the Board

Lim Mooi Ying, Marianne
Company Secretary

Hong Kong, 16 September 2004

As at the date of this report, the Executive Directors of the Company are Mr Gan Khian Seng, Mr Yong Foo San, Mr Volker Josef Eckehard Harms, Ms Lim Mooi Ying, Marianne and Mr Lam Kwong Yu. The Non-Executive Director is Mr Victor Yang and the Independent Non-Executive Directors are Mr Fung Ka Pun and Mr Christopher Patrick Langley.