

INTERIM DIVIDEND

The directors of the Company (“the Directors”) do not recommend the payment of an interim dividend for the six months ended 30th June, 2004 (2003: Nil).

DIRECTORS’ INTERESTS

As at 30th June, 2004, the interests and short positions of the Directors in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the “SFO”) or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required to be 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 were as follows:

(I) The Company

Shares and (in respect of equity derivatives) Underlying Shares

Name of Director	Long position/ short position	Nature of interest	Number of ordinary shares held 所持普通股 數目	Approximate percentage of shareholding 概約持股 百分比
董事姓名	好倉／淡倉	權益性質 (Note 1) (附註 1)		
Chan Kwok Keung, Charles (Note 2) 陳國強(附註2)	Long Position 好倉	Corporate 法團	258,819,795	29.36%

中期股息

本公司董事(「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)。

董事權益

於二零零四年六月三十日，本公司董事(「董事」)於本公司或其任何相關法團(按證券及期貨條例(「證券及期貨條例」)第XV部之涵義)之股份、債券或相關股份擁有之權益及淡倉，或根據證券及期貨條例第352條須列入本公司存置之登記冊內或根據上市公司董事進行證券交易之標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

(I) 本公司

股份及(就股本衍生工具)相關股份

(II) Associated Corporation

Shares and (in respect of equity derivatives) Underlying Shares

Name of Director 董事姓名	Name of company 公司名稱	Nature of interest 權益性質	Long position/ short position 好倉/淡倉	Number of ordinary shares held 所持普通股數目 (Note3) (附註3)	Approximate percentage of shareholding 概約持股百分比
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Chan Kwok Keung, Charles 陳國強	Wing On Travel (Holdings) Limited 永安旅遊(控股)有限公司	Personal 個人	Long position 好倉	17,280,000	0.10%
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Notes:

- Share(s) of HK\$0.10 each in the capital of the Company.
- Chan Kwok Keung, Charles is deemed to be interested in 258,819,795 shares in the Company held by Calisan Developments Limited ("Calisan") by virtue of his interest in Chinaview International Limited ("Chinaview") which has a controlling interest in Calisan. Details of which are disclosed under the heading "Substantial Shareholders".
- Share(s) of HK\$0.01 each in the capital of Wing On Travel (Holdings) Limited.

Save as disclosed above, as at 30th June, 2004 none of the Company's directors or chief executive of the Company or their associates had any interest or short position whether beneficial or non-beneficial, in the shares or underlying shares and debentures 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 Transaction by Directors of Listed Companies.

(II) 相關法團

股份及(就股本衍生工具)相關股份

Name of Director 董事姓名	Name of company 公司名稱	Nature of interest 權益性質	Long position/ short position 好倉/淡倉	Number of ordinary shares held 所持普通股數目 (Note3) (附註3)	Approximate percentage of shareholding 概約持股百分比
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Chan Kwok Keung, Charles 陳國強	Wing On Travel (Holdings) Limited 永安旅遊(控股)有限公司	Personal 個人	Long position 好倉	17,280,000	0.10%
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附註：

- 本公司股本中每股面值0.10港元之股份。
- 由於陳國強擁有 Chinaview International Limited (「Chinaview」) 之權益，而 Chinaview 擁有 Calisan Developments Limited (「Calisan」) 之控股權益，因而被視為擁有 Calisan 所持有之 258,819,795 股本公司股份之權益。有關詳情於「主要股東」項下披露。
- 永安旅遊(控股)有限公司股本中每股面值0.01港元之股份。

除上文披露者外，於二零零四年六月三十日，本公司之董事或行政總裁或彼等各自之聯繫人士於本公司或其任何相關法團之股份或相關股份及債券中，概無擁有(不論實益或非實益)根據證券及期貨條例第352條須予記錄或根據上市公司董事進行證券交易之標準守則須知會本公司及聯交所之任何權益或淡倉。

Share Options

Pursuant to the Share Option Scheme adopted on 4th June, 2002, the Company has granted certain eligible persons options to subscribe for shares of the Company during the six months ended 30th June, 2004. Details of the grant of share options and a summary of movement of the share options during the period are set out below.

購股權

根據本公司於二零零二年六月四日採納之購股權計劃，本公司截至二零零四年六月三十日止六個月內授出可認購本公司之購股權予若干合資格人士。於本期內，有關批授購股權之詳情及購股權之變動概要如下：

Eligible person	No. of share options 購股權數目				Balance as at 30/06/2004 截至於二零零四年六月三十日止之結餘	Date of grant	Exercise price per share option 每股購股權之行使價	Exercisable period
	Balance as at 01/01/2004 於二零零四年一月一日止之結餘	Granted during the period 期內已批授	Exercised during the period 期內已行使	Cancelled/Lapsed during the period 期內註銷/失效 (HK\$) (港元)				
Employees 僱員	-	25,000,000	25,000,000	-	-	08/01/2004 二零零四年一月八日	0.1776	08/01/2004 - 07/01/2009 二零零四年一月八日至二零零九年一月七日
Total合計	-	25,000,000	25,000,000	-	-			

- Employees are employees of the Group (other than the Directors) working under employment contracts with the Group which are regarded as "continuous contracts" for the purpose of the Employment Ordinance (Cap. 57 of the Laws of Hong Kong).
 - The closing price of the shares of the Company immediately before the options granted on 8th January, 2004 was HK\$0.178.
 - The weighted average closing prices of the shares immediately before the dates of exercise exercised by the employees were HK\$0.3940, HK\$0.4003, HK\$0.4505, HK\$0.4698, HK\$0.4753 respectively.
- 僱員即本集團之僱員(除董事以外)，與本集團有僱傭合約，並就僱傭條例(香港法例第57章)視為「持續合約」。
 - 緊接二零零四年一月八日批授購股權前，本公司之股份收市價為0.178港元。
 - 緊接僱員行使購股權之行使日期前，股份之加權平均收市價分別為0.3940港元、0.4003港元、0.4505港元、0.4698港元及0.4753港元。

During the period ended 30th June, 2004, 25,000,000 share options were granted and exercised under the share option scheme adopted on 4th June, 2002 and no share option was cancelled and lapsed.

The Directors do not consider it is appropriate to disclose the value of the share options granted during the six months ended 30th June, 2004 because the Directors are of the view that the value of the share options generally depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of assumptions. Accordingly the Directors believe that any calculation of the value of share options will not be meaningful and may be misleading to shareholders in these circumstances.

截至二零零四年六月三十日止期內，根據二零零二年六月四日所採納之購股權計劃，已批授及行使25,000,000股購股權，期內並無購股權被註銷或失效。

董事認為不適宜披露截至二零零四年六月三十日止六個月內已批授之購股權價值，原因為董事認為購股權價值一般視乎多項變數而定，而該等變數乃難以確定或只能在多項假設情況之下確定。有鑑於此，董事相信任何購股權價值之計算均無意義，甚至或會誤導股東。

Substantial Shareholders

As at 30th June, 2004, the following companies or persons had an interest or short position in the shares and the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO and which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

主要股東

於二零零四年六月三十日，根據證券及期貨條例第336條本公司須予存置之股東名冊紀錄，下列公司或人士於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分節須向本公司披露之權益或淡倉。

Name 姓名	Capacity 身份	Notes 附註	Number of shares 股份數目	Percentage of issued share capital 已發行股本百分比
Calisan	Beneficial owner 實益擁有人	1	258,819,795	29.36%
Great Decision Limited	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Paul Y. – ITC Investments Group Limited	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Paul Y. – ITC Construction Holdings (B.V.I.) Limited	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Paul Y. – ITC Construction Holdings Limited 保華德祥建築集團有限公司	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Hollyfield Group Limited	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
ITC Investment Holdings Limited	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
ITC Corporation Limited 德祥企業集團有限公司	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Galaxyway Investments Limited	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%

Substantial Shareholders (continued)

主要股東(續)

Name 姓名	Capacity 身份	Notes 附註	Number of shares 股份數目	Percentage of issued share capital 已發行股本百分比
Chinaview	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Dr. Chan Kwok Keung, Charles 陳國強博士	Interest held by controlled corporation 受控制法團持有之權益	1	258,819,795	29.36%
Ms. Ng Yuen Lan, Macy 伍婉蘭女士	Interest held by family 家族權益	2	258,819,795	29.36%
Well Orient Limited 威倫有限公司	Beneficial owner 實益擁有人	3	258,819,794	29.36%
Powervote Technology Limited	Interest held by controlled corporation 受控制法團持有之權益	3	258,819,794	29.36%
Hanny Magnetics (B.V.I.) Limited	Interest held by controlled corporation 受控制法團持有之權益	3	258,819,794	29.36%
Hanny Holdings Limited 錦興集團有限公司	Interest held by controlled corporation 受控制法團持有之權益	3	258,819,794	29.36%

Notes:

1. Dr. Chan Kwok Keung, Charles (“Dr. Chan”) owns the entire interest of Chinaview which in turn owns the entire interest in Galaxyway Investments Limited (“Galaxyway”). Galaxyway owns more than one-third of the entire issued ordinary share capital of ITC Corporation Limited (“ITC”). ITC owns the entire interest of ITC Investment Holdings Limited (“ITC Investment”). ITC Investment owns the entire interest in Hollyfield Group Limited (“Hollyfield”). Hollyfield owns more than one-third of the entire issued share capital of Paul Y. - ITC Construction Holdings Limited (“Paul Y.”). Paul Y. owns the entire interest of Paul Y. - ITC Construction Holdings (B.V.I.) Limited (“PYBVI”) which in turn owns the entire interest in Paul Y. - ITC Investments Group Limited (“PYITCIG”). PYITCIG owns the entire interest of Great Decision Limited (“GDL”) which in turn owns the entire interest in Calisan. Accordingly, GDL, PYITCIG, PYBVI, Paul Y., Hollyfield, ITC Investment, ITC, Galaxyway, Chinaview and Dr. Chan are deemed to be interested 258,819,795 shares of the Company which are held by Calisan.
2. Ms. Ng Yuen Lan, Macy is a spouse of Dr. Chan and deemed to be interested in 258,819,795 shares of the Company held by Calisan.
3. Well Orient Limited (“WOL”) is wholly-owned by Powervote Technology Limited (“PTL”) which is in turn owned by Hanny Magnetics (B.V.I.) Limited (“Hanny Magnetics”). Hanny Megnetics is wholly-owned by Hanny Holdings Limited (“Hanny”). PTL, Hanny Magnetics and Hanny were deemed to be interested in 258,819,794 shares of the Company which were held by WOL.

All the interests stated above represent long positions. As at 30th June, 2004, no short positions were recorded in the Register of Interests in Shares and Short Positions required to be kept under Section 336 of the SFO.

附註：

1. 陳國強博士（「陳博士」）擁有Chinaview全部權益，而Chinaview擁有Galaxyway Investments Limited（「Galaxyway」）全部權益。Galaxyway擁有德祥企業集團有限公司（「德祥企業」）超過三分之一全部已發行普通股。德祥企業擁有ITC Investment Holdings Limited（「ITC Investment」）之全部權益，而ITC Investment則擁有Hollyfield Group Limited（「Hollyfield」）之全部權益。Hollyfield擁有保華德祥建築集團有限公司（「保華德祥」）超過三分之一全部已發行股本。保華德祥擁有Paul Y. - ITC Construction Holdings (B.V.I.) Limited（「PYBVI」）全部權益。PYBVI擁有Paul Y. - ITC Investments Group Limited（「PYITCIG」）全部權益。PYITCIG擁有Great Decision Limited（「GDL」）全部權益，而GDL擁有Calisan全部權益。因此，GDL、PYITCIG、PYBVI、保華德祥、Hollyfield、ITC Investment、德祥企業、Galaxyway、Chinaview及陳博士被視為於Calisan所持有之258,819,795股本公司股份中擁有權益。
2. 伍婉蘭女士為陳博士之配偶，被視為於Calisan所持有之258,819,795股本公司股份中擁有權益。
3. 威倫有限公司（「威倫」）由Powervote Technology Limited（「PTL」）全資擁有，而PTL則由Hanny Magnetics (B.V.I.) Limited（「Hanny Magnetics」）全資擁有。Hanny Magnetics由錦興集團有限公司（「錦興」）全資擁有。PTL、Hanny Magnetics及錦興被視為於威倫所持有之258,819,794股本公司股份中擁有權益。

上述所有權益均代表好倉。於二零零四年六月三十日，根據證券及期貨條例第336條須予存置之股份權益及淡倉登記冊中，並無任何淡倉紀錄。

Continuing Disclosure Obligation

(1) As at 30th June, 2004, the financial assistance given to the Company's affiliated companies by the Group to Wing On Travel (Holdings) Limited and its subsidiaries ("Wing On Group") aggregated to approximately HK\$118.95 million, representing more than 8% of the Company's market capitalization of approximately HK\$342.06 million as at 30th June, 2004 (the "Market Capitalisation").

Details of financial assistance given to the Company's affiliated companies as at 30th June, 2004:

Affiliated companies 聯營公司	Group's interest 本集團之權益 (%)	Principal Advances 本金墊款 (million) (百萬)	Interest Rate Per annum 年利率	Note(s) 附註
Wing On Group 永安集團	32.21	HK\$32.20 32.20港元	Prime+2% 最優惠利率+2%	1
		HK\$17.48 17.48港元	Prime 最優惠利率	2
		HK\$63.50 63.50港元	Prime 最優惠利率	3
		Rmb5.54 人民幣5.54元	6%	1
		Rmb0.59 人民幣0.59元	6%	4
			Nil 零	
Total 合計		HK\$118.93 118.93港元		

Notes:

- The advances are unsecured and repayable on 2nd January, 2006.
- The advance is unsecured and repayable on 29th January, 2005.
- The advances is unsecured and repayable on 9th June, 2005.
- The advance is unsecured, interest free and has no fixed term of repayment.

持續披露責任

(1) 於二零零四年六月三十日，本集團向本公司之聯營公司永安旅遊(控股)有限公司及其附屬公司(「永安集團」)提供之財政援助合計約118,950,000港元，佔本公司於二零零四年六月三十日約342,060,000港元市值(「市值」)8%以上。

本公司於二零零四年六月三十日向聯營公司提供之財政援助詳情如下：

附註：

- 墊付乃無抵押及須於二零零六年一月二日償還。
- 墊付乃無抵押及須於二零零五年一月二十九日償還。
- 墊付乃無抵押及須於二零零五年六月九日償還。
- 墊付乃無抵押、免息及無固定還款期。

- (2) As at 30th June, 2004, the guarantees of HK\$45.5 million were given for banking facilities granted by the Company to Tung Fong Hung Investment Limited ("Tung Fong Hung") and its subsidiaries which were previous wholly-owned subsidiaries of the Company and Jean-Marie Pharmacal Co., Limited, an affiliated company of Tung Fong Hung. The Company is currently arranging the guarantees to be released.
- (2) 於二零零四年六月三十日，45,500,000港元之抵押已獲提供，藉以擔保本公司向Tung Fong Hung Investment Limited（「Tung Fong Hung」）及其附屬公司（先前為本公司之全資附屬公司）及Tung Fong Hung之聯營公司正美藥品有限公司授出之銀行信貸。本公司現正安排解除該擔保。
- (3) Pursuant to Rule 13.22 of the Listing Rules, the financial information of the affiliated companies and the Group's attributable interest in these affiliated companies based on their financial position as at 30th June, 2004 are presented below:
- (3) 根據上市規則第13.22條，按照聯繫公司於二零零四年六月三十日之財務資料，聯繫公司之財務狀況及本集團應佔該等聯繫公司之權益載列如下：

		Consolidated financial position as at 30.6.2004 於二零零四年 六月三十日之 綜合財務狀況 (HK\$'000) 千港元	The Group's attributable Interest 本集團 應佔權益 (HK\$'000) 千港元
Non-current assets	非流動資產	1,835,806	951,068
Current assets	流動資產	717,222	238,825
Current liabilities	流動負債	(456,946)	(184,518)
Non-current liabilities	非流動負債	(1,449,259)	(681,383)
Minority interests	少數股東權益	(321,120)	(120,077)
Net assets	淨資產	<u>325,703</u>	<u>203,915</u>

MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, the directors have complied with the required standard set out in the Model Code as provided in Appendix 10 of the Listing Rules.

標準守則

本公司已採納上市規則附錄10所載之標準守則作為其有關董事之證券交易之標準守則。於對所有董事作出指定之查詢後，董事已遵守上市規則附錄10所載之標準守則所述之規定標準。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that this is not complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim report, except that the Independent Non-Executive Directors of the Company are not appointed for specific terms as subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's Articles of Association.

AUDIT COMMITTEE

The audit committee of the Company comprises Mr. David Edwin Bussmann and Ms. Fung Wan Yiu, Agnes who are Independent Non-Executive Directors. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial report for the six months ended 30th June, 2004.

By Order of the Board
Dr. Chan Kwok Keung, Charles
Chairman

Hong Kong, 21st September, 2004

購買、出售或贖回上市證券

本公司及其附屬公司於期內概無購買、出售或贖回本公司上市證券。

最佳應用守則

就本公司董事所知，並無任何資料足以合理顯示本公司於中期報告所述之整個會計期間不遵守上市規則附錄14所載之最佳應用守則，惟本公司獨立非執行董事並無特定任期而須根據本公司組織章程細則輪流告退及於股東週年大會上膺選連任。

審核委員會

本公司審核委員會由獨立非執行董事卜思問先生及馮蘊瑤女士組成。審核委員會與管理層已審閱本集團所採用之會計準則及慣例，並商討審核、內部控制及財務匯報程序等事宜，其中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中期財務報告。

承董事會命
主席
陳國強博士

香港，二零零四年九月二十一日