

ITC

ITC Corporation Limited
德祥企業集團有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

INTERIM REPORT 04/05 中期業績報告

Intelligence,
Tactics and
Confidence will lead
us to **S**uccess



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CHAIRMAN'S STATEMENT

I am pleased to present to shareholders the interim report and condensed financial statements of ITC Corporation Limited (the "Company") and its subsidiaries (together with the Company, the "Group") for the six months ended 30th September, 2004.

INTERIM DIVIDEND

The board of directors of the Company (the "Board") has resolved to pay an interim dividend of 1 cent per ordinary share for the six months ended 30th September, 2004 (2003: Nil) to holders of ordinary shares whose names appear on the register of holders of ordinary shares of the Company as at the close of business on 12th January, 2005. The interim dividend is expected to be paid to holders of ordinary shares of the Company by post on or around 3rd February, 2005.

During the period under review no dividend was declared on the 267,980,000 compulsorily convertible cumulative preference shares in issue. No dividend is therefore payable on those preference shares in respect of the period under review.

CLOSE OF REGISTER OF HOLDERS OF ORDINARY SHARES

The register of holders of ordinary shares of the Company will be closed from 10th January, 2005 to 12th February, 2005, both days inclusive, during the period which no ordinary share transfer shall be effected. In order to qualify for the interim dividend, all transfers of ordinary shares accompanied by the relevant share certificates must be lodged with the Company's share registrars in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on 7th January, 2005.

主席報告

本人欣然向股東提呈德祥企業集團有限公司（「本公司」）及其附屬公司（連同本公司，「本集團」）截至二零零四年九月三十日止六個月之中期報告及簡明財務報表。

中期股息

本公司董事局（「董事局」）已決議向於二零零五年一月十二日辦公時間結束時名列本公司普通股股東名冊之普通股股東派付截至二零零四年九月三十日止六個月之中期股息每股普通股港幣1仙（二零零三年：無）。中期股息預計於二零零五年二月三日前後以郵寄方式向普通股股東派付。

於回顧期內，並無就已發行之267,980,000股強制性可換股累積優先股宣派股息，故於回顧期內毋須就該等優先股派發股息。

暫停辦理普通股股東登記手續

本公司將於二零零五年一月十日至二零零五年一月十二日（包括首尾兩日）暫停辦理普通股股東登記手續，於該期間內將不會登記任何普通股股份之轉讓。如欲獲派中期股息，所有普通股過戶文件連同有關股票，最遲須於二零零五年一月七日下午四時正前交回本公司之香港股份過戶登記處秘書商業服務有限公司以供登記，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

BUSINESS REVIEW AND OUTLOOK

RESULTS AND FINANCIAL HIGHLIGHTS

The results and financial position of the Group for the period under review are summarised in the table below:

業務回顧及展望

業績及財務概覽

本集團於回顧期之業績及財務狀況於下表概述：

Results	Notes	Six months ended 30th September,		Percentage change
		2004	2003	
業績	附註	二零零四年 截至九月三十日 止六個月	二零零三年	百分比變動
Consolidated turnover (HK\$'million) 綜合營業額 (百萬港元)		1,704.9	1,698.4	+0.4%
Profit from operations (HK\$'million) 經營業務所得溢利 (百萬港元)	a	58.9	29.0	+103.1%
Profit for the period (HK\$'million) 期內溢利 (百萬港元)	b	26.3	47.6	-44.8%
Basic earnings per ordinary share (HK cents) 每股普通股基本盈利 (港仙)	b	2.6	6.1	-57.4%
Financial position		As at 30th September, 2004 於二零零四年 九月三十日	As at 31st March, 2004 於二零零四年 三月三十一日	Percentage change
財務狀況				百分比變動
Total assets (HK\$'million) 總資產 (百萬港元)		6,434.5	4,982.5	+29.1%
Shareholders' funds (HK\$'million) 股東資金 (百萬港元)		1,360.4	1,353.2	+0.5%
Current ratio 流動比率		1.57	1.58	-0.6%

Notes:

- (a) Increase mainly due to the improvement of the profit margin of the construction business of the group of Paul Y. - ITC Construction Holdings Limited ("Paul Y. - ITC").
- (b) Decrease mainly due to the share of loss of China Strategic Holdings Limited ("China Strategic") by Paul Y. - ITC and decrease in interests in Downer EDI Limited ("Downer") by Paul Y. - ITC which resulted in the decrease in net contribution from associated companies.

附註：

- (a) 增加主要由於保華德祥建築集團有限公司(「保華德祥」)之集團建築業務之利潤率改善。
- (b) 減少主要由於保華德祥攤佔中策集團有限公司(「中策」)之虧損以及保華德祥於Downer EDI Limited(「Downer」)之權益減少導致聯營公司之淨貢獻減少。



REVIEW OF OPERATIONS

Paul Y. - ITC

The principal activities of the Paul Y. - ITC group include building construction, civil engineering, specialist works, property development and investment, development and investment in infrastructure projects and manufacturing and trading of construction materials. In addition, the Paul Y. - ITC group holds investments in major associates including Downer and China Strategic.

The thin margin construction contracts associated with the residual effect of the financial crisis and property slump in the past years have been completed. Improvement in gross margin of the construction business was achieved during the period under review.

During the period, the Paul Y. - ITC group secured new contracts with an aggregate value of approximately HK\$2,795 million, of which some HK\$2,263 million were building construction contracts, some HK\$438 million were civil engineering contracts and some HK\$94 million were specialist works.

As at 30th September, 2004, contracts on hand and the value of work remaining of the Paul Y. - ITC group were HK\$9,309 million and HK\$5,865 million, respectively. The profile of contracts on hand as at 30th September, 2004 is as follows:

業務回顧

保華德祥

保華德祥集團之主要業務包括樓宇建築工程、土木工程、專項工程、物業發展及投資、基建項目之發展及投資，以及建築材料製造及貿易。此外，保華德祥集團持有包括Downer與中策在內之主要聯營公司投資。

過去數年來金融危機與樓市低迷導致建築合約利潤微薄之時終於過去，建築業務於回顧期內之毛利已見改善。

於本期間內，保華德祥集團取得總值約2,795,000,000港元之新工程合約，包括約2,263,000,000港元之樓宇建築工程合約、約438,000,000港元之土木工程合約及約94,000,000港元之專項工程合約。

於二零零四年九月三十日，保華德祥集團之持有工程合約及餘下工程價值分別為9,309,000,000港元及5,865,000,000港元。於二零零四年九月三十日，持有工程合約之資料如下：

		Value of contracts on hand as at 30th September, 2004 於二零零四年 九月三十日 持有工程合約價值 HK\$'million 百萬港元	Value of work remaining as at 30th September, 2004 於二零零四年 九月三十日 餘下工程價值 HK\$'million 百萬港元
Building construction	樓宇建築工程	6,880	4,238
Civil engineering	土木工程	1,474	1,067
Specialist works	專項工程	955	560
		<u>9,309</u>	<u>5,865</u>

The uptrend in the Paul Y. - ITC group's remaining work-on-hand and gross margin continues. The Paul Y. - ITC group also adopts a design and build procurement method on a cost plus basis in order to improve margins for construction contracts which as a result, has successfully enable the Paul Y. - ITC group to secure a hotel design and build contract in Macau during the period. With the ongoing vigorous cost saving measures, performance of all construction business segments of the Paul Y. - ITC group improves satisfactorily.

保華德祥集團餘下工程及毛利增加之勢持續，其亦已採納提成基準設計施工統包之方式以提升建築合約之利潤，促使保華德祥集團於期內成功奪得澳門一項酒店設計施工合約。憑藉持續不懈之節省成本措施，保華德祥集團各建築業務分部表現皆取得滿意之改善。

For property operations, the Group's investment property at Paul Y. Centre, being the Group's headquarters in Kwun Tong has recorded a stable overall rental return with an occupancy rate maintained at a level of around 91% at the period end.

For the six months ended 30th September, 2004, Paul Y. - ITC reported a consolidated profit for the period of HK\$38.1 million, and its overall after tax contribution to the Group was a profit of HK\$25.5 million.

On 20th October, 2004, the Company disposed of 77 million shares in Paul Y. - ITC pursuant to the mandate approved by the ordinary shareholders of the Company on 6th October, 2004. Following the disposal on 20th October, 2004 and the receipt of scrip shares from Paul Y. - ITC on 29th October, 2004, the Group's interest was decreased from 55.06% as at 30th September, 2004 to 49.58% as at the date of this report, and Paul Y. - ITC has become an associated company of the Company with effect from 20th October, 2004. Details of the mandate and the disposal were disclosed in the Company's circulars dated 21st September, 2004 and 5th November, 2004, respectively.

Subsequent to the period end, the Paul Y. - ITC group has disposed of its entire shareholding in Downer:

- In November 2004, pursuant to the incentive option agreement entered into with Paul Y. - ITC in April 2003, a company controlled by certain executives of Downer has purchased from the Paul Y. - ITC group 5.5 million shares in Downer at A\$2.2 each, in aggregate amounting to approximately A\$12.1 million (approximately HK\$72.6 million); and
- In December 2004, the Paul Y. - ITC group has disposed of the remaining approximately 56.2 million shares in Downer at a price of A\$4.55 each to independent third parties. The gross sale proceeds arising from the disposal amount to approximately A\$255.8 million (approximately HK\$1,504 million).

在物業業務方面，本集團之投資物業保華企業中心為本集團位於觀塘之總部，其錄得穩定之租金回報，並在本期間結束時維持佔用率約91%之水平左右。

截至二零零四年九月三十日止六個月，保華德祥錄得期內綜合溢利38,100,000港元，其整體對本集團之除稅後貢獻則為溢利25,500,000港元。

於二零零四年十月二十日，本公司根據本公司普通股股東於二零零四年十月六日批准之授權出售77,000,000股保華德祥股份。緊隨二零零四年十月二十日之出售以及於二零零四年十月二十九日收到保華德祥發行之代息股份，本集團持有之保華德祥權益由二零零四年九月三十日之55.06%減至於本報告刊發日期之49.58%，而保華德祥亦由二零零四年十月二十日起成為本公司之聯營公司。上述授權及出售事項之詳情已分別於本公司在二零零四年九月二十一日及二零零四年十一月五日刊發之通函內披露。

於本期間之結算日之後，保華德祥集團已出售其於Downer之全部股權，詳情如下：

- 於二零零四年十一月，根據與保華德祥於二零零三年四月訂立之獎勵選擇權協議，Downer若干行政人員控制之一間公司已按每股Downer股份2.2澳元向保華德祥集團購入5,500,000股Downer股份，總作價約為12,100,000澳元（約72,600,000港元）；及
- 於二零零四年十二月，保華德祥集團以每股4.55澳元將其餘約56,200,000股Downer股份出售予獨立第三方。出售產生之款項約為255,800,000澳元（約1,504,000,000港元）。



Strategic Investments

During the six months ended 30th September, 2004, the Group continued to hold significant interests, both directly or indirectly, in a number of companies listed in Hong Kong, Canada, Australia, New Zealand, Singapore, Germany and the United States ("US") pursuant to its long term strategy of exploring potential investments and enhancing the value of its strategic investments by active participation in or close liaisons with the management of the companies invested by the Group. As at 30th September, 2004, the Group had the following strategic investments:

Listed strategic investments directly held

Hanny Holdings Limited ("Hanny")

The Hanny group is principally engaged in the manufacture, distribution and marketing of data storage media (primarily floppy disks, CD-R, CD-RW and DVD); distribution and marketing of computer accessories, storage media drives and household electronic products; and securities trading. The Hanny group also makes strategic investments in information technology, Internet, Internet-related and other businesses. For the six months ended 30th September, 2004, Hanny reported a consolidated loss for the period of HK\$25.0 million and its after tax contribution to the Group was a loss of HK\$6.1 million.

Burcon NutraScience Corporation ("Burcon")

Burcon is a research and development company developing a portfolio of composition, application and process patents around its plant protein extraction and purification technology. The goal of Burcon's research is to develop its patented process to utilize inexpensive oilseed meals for the production of purified plant proteins that exhibit valuable nutritional, functional or nutraceutical profiles. Burcon is currently focusing its efforts on developing the world's first commercial canola proteins, namely Puratein® and Supertein™ (the "Products"). Canola, recognised for its nutritional qualities, is the second-largest oilseed crop in the world after soybeans. Burcon's goal is to develop the Products to participate with soy, dairy and egg proteins in the expanding multi-billion-dollar protein ingredient market, with potential uses in prepared food, nutritional supplements and personal care products. For the six months ended 30th September, 2004, Burcon's after tax contribution to the Group was a loss of HK\$2.7 million.

Downer

Downer provides comprehensive engineering and infrastructure management services to the public and private power, rail, road, telecommunications, mining and minerals processing sectors in Australia, New Zealand, Asia and the Pacific. Its business is organized through four main divisions, namely Downer Engineering (engineering division), Works Infrastructure (infrastructure division), Roche Mining (mining division), and EDI Rail (rail division) that have common core competencies. These core competencies include value-adding skills in design, project and facilities management, operations and maintenance to provide clients with single source solutions.

策略性投資

於截至二零零四年九月三十日止六個月內，本集團繼續直接或間接持有於香港、加拿大、澳洲、紐西蘭、新加坡、德國及美利堅合眾國（「美國」）之上市公司之重大權益，以貫徹其物色具潛力投資項目之長遠策略，並透過積極參與管理本集團所投資公司或與有關公司之管理層緊密聯繫以提高本集團之策略性投資項目之價值。於二零零四年九月三十日，本集團之策略性投資項目如下：

直接持有之上市策略性投資項目

錦興集團有限公司（「錦興」）

錦興集團主要從事生產、分銷及推廣資料儲存媒體產品（主要為軟磁碟、收錄光碟、重寫光碟及數碼視象光碟）、分銷及推廣電腦配件、儲存媒體驅動器及家居電子產品，以及證券買賣。錦興集團亦在資訊科技、互聯網、互聯網相關業務及其他業務作出策略性投資。於截至二零零四年九月三十日止六個月，錦興錄得之期間綜合虧損為25,000,000港元，其對本集團之除稅後貢獻則為虧損6,100,000港元。

Burcon NutraScience Corporation（「Burcon」）

Burcon為研究開發公司，現正採用植物蛋白質淨化及提取技術發展一系列之合成、應用及加工專利權。Burcon研究之目標是自行開發利用廉宜之油籽粉以生產營養價值高、效能廣泛及有健康效果之淨化植物蛋白質之專利工序。Burcon目前致力發展全球首種商用芥花籽蛋白質 Puratein®及Supertein™（「有關產品」）。公認具備豐富營養價值之芥花籽為加拿大產量最高之油籽穀物及緊隨大豆之後世界第二產量最高之油籽穀物。Burcon之目標是以發展有關產品參與大豆、奶類及蛋類蛋白質在數以十億元計並不斷擴大之蛋白質成份市場，而有關產品更可用於預製食品、營養補充劑及個人護理產品。截至二零零四年九月三十日止六個月，Burcon對本集團之除稅後貢獻為虧損2,700,000港元。

Downer

Downer為澳洲、紐西蘭、亞洲及太平洋地區之公營及私營電力、鐵路、公路、電訊、礦務及礦物加工行業提供全面之工程及基建管理服務。該公司業務由四項同樣擁有所專注之核心技术之主要分支業務組成，包括 Downer Engineering（工程部門）、Works Infrastructure（基建部門）、Roche Mining（礦務部門）及 EDI Rail（鐵路部門）。該等核心技术包括於設計、項目及設施管理、營運及保養等之增值技能，為客戶提供單一來源之解決方案。

China Strategic

China Strategic is an investment holding company. Through its subsidiaries, China Strategic is engaged in the business of manufacturing of batteries and property investment and development business in the Mainland (being the People's Republic of China and, for the purpose of this report, excluding Hong Kong and Macau); and through its associates it is also engaged in manufacturing and marketing of tires in the Mainland and other countries abroad; and the business of providing package tours, travel and other related services; and hotel and leisure related business.

Listed strategic investments indirectly held*PSC Corporation Ltd. ("PSC")*

The PSC group is principally engaged in manufacturing of food and other consumer products, distribution of food and other fast moving consumer goods, logistics and franchising; healthcare consultancy and services; and education. In addition it is a significant player in Singapore's convenience stores with a network of about 130 franchise retail outlets.

China Enterprises Limited ("China Enterprises")

China Enterprises is an investment holding company and has substantial interests in other investment companies, which through their subsidiaries are principally engaged in the manufacturing and marketing of tires in the Mainland and other countries abroad; and the business of providing package tours, travel and other related services; and hotel and leisure related business. Recently, China Enterprises is engaged in property business by the acquisition of a property in Shanghai.

MRI Holdings Limited ("MRI")

MRI, as an investment company, has continued to make considerable effort to identify suitable investments that fit the approved investment criteria.

Wing On Travel (Holdings) Limited ("Wing On Travel")

Wing On Travel group is principally engaged in the provision of package tours, travel and other related services; and hotel and leisure related business. Wing On Travel group has a substantial interest in a hotel chain branded under the name of "Rosedale" in the Mainland and Hong Kong. Wing On Travel is one of the most experienced and largest local travel agency, and is a well-known expert in the travel industry having extensive experience in marketing and promoting tour business with far-reaching global network and connections in tour operation.

中策

中策乃一家投資控股公司，其透過附屬公司在國內從事電池製造、物業投資及發展業務，並透過聯營公司在國內（即中華人民共和國（就本報告而言不包括香港及澳門））及其他海外國家從事輪胎製造及推廣、提供旅遊團、旅遊及其他相關服務、以及酒店及休閒服務。

間接持有之上市策略性投資項目*普威聯營有限公司（「普威聯營」）*

普威聯營集團主要從事食品及其他消費品之製造、食品及其他快速流通消費商品之分銷、物流及特許經營、保健諮詢及服務以及教育。此外，普威聯營於新加坡之便利店市場佔有重要地位，擁有由大約130間特許經營分店組成之網絡。

China Enterprises Limited（「China Enterprises」）

China Enterprises為一間投資控股公司，其於若干投資控股公司持有重大權益，旗下附屬公司之主要業務為在國內及其他海外國家生產及銷售輪胎，並從事提供旅遊團、旅遊及其他相關服務，以及酒店及休閒相關業務之業務。China Enterprises近日透過收購一項位於上海之物業發展物業業務。

MRI Holdings Limited（「MRI」）

MRI為一間投資公司，現正繼續積極物色符合既定投資範圍之投資良機。

永安旅遊（控股）有限公司（「永安旅遊」）

永安旅遊集團主要從事提供旅遊團、旅遊及其他相關服務，以及酒店及休閒相關業務，亦擁有在國內及香港以「珀麗」為名稱經營之連鎖酒店之重大權益。永安旅遊為其中一間最富經驗及最大規模的本地旅行社之一，並為旅遊行業之專家，於推廣及宣傳旅遊業務方面擁有豐富經驗，且在旅遊營運方面擁有遍及全球各地之全球網絡及聯繫。



The Group's interests in listed subsidiary and strategic investments are summarised below:

本集團於上市附屬公司及策略性投資項目之權益概述如下：

Listed subsidiary and strategic investments directly held

直接持有之上市附屬公司及策略性投資項目

Name of investee company 所投資公司之名稱	Place of listing 上市地點	Shareholding percentage 股權百分比	
		As at 30th September, 2004 於二零零四年九月三十日	As at the date of this report 於本報告刊發日期
Paul Y. - ITC 保華德祥	Hong Kong Stock Exchange 香港聯交所	55.1%	49.6%
Hanny 錦興	Hong Kong Stock Exchange 香港聯交所	24.6%	20.5%
Burcon	TSX Venture Exchange and Frankfurt Stock Exchange TSX Venture Exchange及 法蘭克福證券交易所	25.0%	25.0%
Downer	Australian Stock Exchange and New Zealand Stock Exchange 澳洲證券交易所及 新西蘭證券交易所	11.7% <i>Effective interest</i> 實際權益 (Note a) (附註a)	–
China Strategic 中策	Hong Kong Stock Exchange 香港聯交所	23.4% <i>Effective interest</i> 實際權益 (Note b) (附註b)	20.6% <i>Effective interest</i> 實際權益 (Note b) (附註b)

Listed strategic investments indirectly held

間接持有之上市策略性投資項目

Name of investee company 所投資公司之名稱	Place of listing 上市地點	Effective interest 實際權益	
		As at 30th September, 2004 於二零零四年九月三十日	As at the date of this report 於本報告刊發日期
PSC 普威聯營	Singapore Exchange Securities Trading Limited 新加坡證券交易所	5.6% (Note c) (附註c)	4.3% (Note c) (附註c)
China Enterprises	OTC Bulletin Board, US 美國場外交易議價板	12.9% (Note d) (附註d)	11.4% (Note d) (附註d)
MRI	Australian Stock Exchange 澳洲證券交易所	13.4% (Note d) (附註d)	11.8% (Note d) (附註d)
Wing On Travel 永安旅遊	Hong Kong Stock Exchange 香港聯交所	4.2% (Note e) (附註e)	2.2% (Note e) (附註e)

Notes:

- (a) The Group's interest is held through its direct interest in Paul Y. - ITC .
- (b) The Group's interest is held through its direct interests in Paul Y. - ITC and Hanny.
- (c) The Group's interest is held through its direct interest in Hanny.
- (d) The Group's interest is held through its effective interest in China Strategic.
- (e) The Group's interest is held through its indirect interest in China Enterprises.

附註：

- (a) 本集團之權益透過其於保華德祥之直接權益持有。
- (b) 本集團之權益透過其於保華德祥及錦興之直接權益持有。
- (c) 本集團之權益透過其於錦興之直接權益持有。
- (d) 本集團之權益透過其於中策之實際權益持有。
- (e) 本集團之權益透過其於China Enterprises之間接權益持有。

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. A variety of credit facilities is maintained to meet its working capital requirements. Cash, bank balances and deposits as at 30th September, 2004 amounted to approximately HK\$270.3 million. As at 30th September, 2004, the Group had bank borrowings of approximately HK\$568.4 million and other loans of approximately HK\$17.3 million of which HK\$109.4 million and HK\$17.3 million, respectively, are repayable within one year or on demand. In addition, there is a loan from a minority shareholder of approximately HK\$241.0 million which are repayable after one year. The convertible notes in an aggregate principal amounts of HK\$289.5 million will be redeemed on 3rd March, 2006 (or the next following business day if it is not a business day) unless previously converted, redeemed or purchased and cancelled.

All of the Group's borrowings are at floating interest rates and the Group's current ratio was 1.57 as at 30th September, 2004.

流動資金及財務資源

本集團在整體業務運作方面採取審慎理財政策。本集團維持多項可供隨時提用之信貸以應付營運資金需求。於二零零四年九月三十日，本集團之現金、銀行結餘及存款約為270,300,000港元。於二零零四年九月三十日，本集團之銀行借款約為568,400,000港元，而其他貸款則約為17,300,000港元，其中須於一年內償還或按通知償還之部份分別約109,400,000港元及約17,300,000港元。此外，現時有一筆由少數股東提供約241,000,000港元之貸款須於一年後償還。除非先前獲兌換、贖回或購買及註銷，否則本金額合共289,500,000港元之可換股票據將會在二零零六年三月三日（如當日並非辦公日，則在隨後之辦公日）贖回。

本集團之借款全部按浮動息率計息。於二零零四年九月三十日，本集團之流動比率為1.57。



EXCHANGE RATE EXPOSURE

As at 30th September, 2004, approximately 21.0% of the cash, bank balances and deposits were in other currencies and only 1.4% of the Group's total borrowings of HK\$1,115.9 million was denominated in Canadian dollars. The Canadian dollars denominated borrowings are directly tied in with the Group's business in Canada.

GEARING RATIO

The Group's gearing ratio, which was calculated using the Group's net borrowings of HK\$845.6 million and the shareholders' funds of HK\$1,360.4 million, was 62.2% as at 30th September, 2004 as compared to 42.8% as at 31st March, 2004.

PLEDGE OF ASSETS

As at 30th September, 2004, certain of the Group's properties, investment securities and bank deposits with an aggregate carrying value of approximately HK\$690.1 million and the interests in certain issued shares of subsidiaries of the Company were pledged to banks and financial institutions to secure general facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30th September, 2004, the Group has contingent liabilities in respect of outstanding performance bonds on construction contracts of HK\$431.1 million.

EMPLOYEE AND REMUNERATION POLICY

As at 30th September, 2004, the Group employed a total of approximately 1,200 employees. The Group recruits and promotes individuals based on merit and their development potentials for the positions offered. Remuneration package is structured with reference to individual performance and the prevailing salary levels in the market. The Group also offers other benefits to employees including discretionary bonus, training, provident funds and medical coverage. Share option schemes are also established for the eligible employees but no share option was granted during the period.

MAJOR EVENTS

Acquisition of infrastructure development at Yangkou Port

In March 2004, the Group, through Paul Y. - ITC, entered into agreements with an independent third party to acquire 90.1% interest in a company which owns 60% interest in a joint venture for the development of a bulk handling sea port at Yangkou Port, Nantong City, the Mainland. The acquisition was completed in April 2004.

Acquisition of interest in Skynet (International Group) Holdings Limited ("Skynet")

In March 2004, the Group, through Paul Y. - ITC, entered into agreements relating to a capital reorganisation, asset and debt restructuring proposal (the "Skynet Restructuring Proposal") of Skynet, a company which shares are listed on the Hong Kong Stock Exchange. Pursuant to the Skynet Restructuring Proposal, the entire interest of the Paul Y. - ITC group's construction, engineering and concrete products business would be sold to Skynet in exchange of about 95% equity interests in Skynet. The completion of the Skynet Restructuring Proposal is currently expected in January 2005.

匯兌風險

於二零零四年九月三十日，約21.0%之現金、銀行結餘及存款乃以其他國家貨幣為單位，而在本集團1,115,900,000港元之借款總額中，僅有1.4%乃以加拿大元為單位。該等加拿大元借款與本集團之加拿大業務有直接關連。

資產負債比率

按本集團之借款淨額845,600,000港元及股東資金1,360,400,000港元計算，本集團於二零零四年九月三十日之資產負債比率為62.2%，而於二零零四年三月三十一日之有關比率則為42.8%。

資產抵押

於二零零四年九月三十日，本集團賬面總值約690,100,000港元之若干物業、投資證券及銀行存款，以及於本公司之附屬公司之若干已發行股份權益均已抵押予銀行及財務機構，為本集團取得一般信貸。

或然負債

於二零零四年九月三十日，本集團就仍然有效之建築合約履約擔保書有約431,100,000港元之或然負債。

僱員及酬金政策

於二零零四年九月三十日，本集團聘用約共1,200名僱員。本集團乃按個別人士出任職位之能力及發展潛力招聘及晉升員工。員工酬金乃取決於員工之表現及市場當時之薪金水平。本集團亦提供其他福利予僱員，包括酌定花紅、培訓、公積金及醫療保障計劃。購股權計劃乃為合資格僱員設立，惟期內並無授出任何購股權。

重大事項

收購洋口港之基建發展項目

二零零四年三月，本集團透過保華德祥向獨立第三方收購一間公司之90.1%權益，該公司擁有一間於國內江蘇省南通市洋口港發展大宗散貨深水碼頭之合營企業約60%權益。是項收購已於二零零四年四月完成。

收購天網(國際集團)有限公司(「天網」)權益

於二零零四年三月，本集團透過保華德祥訂立多份有關於香港聯交所上市之公司天網之股本重組及資產與債務重組之計劃(「天網重組計劃」)。根據天網重組計劃，天網將獲注入保華德祥集團之建築、工程及混凝土產品業務之全部權益，以換取天網約95%股權。目前預計天網重組建議將於二零零五年一月完成。

Acquisition of property interest in the Mainland

Subsequent to the period end, Paul Y. - ITC acquired a property development company, Yetwide Investments Limited which is principally engaged in a property development project at Taishan Municipality, Guangdong Province in the Mainland.

Disposal of shares in Paul Y. - ITC

On 18th August, 2004, the Board announced that the Group intended to place out sufficient shares in Paul Y. - ITC so that on completion of the placement Paul Y. - ITC will become an associated company of the Company. On 20th October, 2004, the Company disposed of 77 million shares in Paul Y. - ITC at a consideration of HK\$1.05 per share. After the disposal and upon the receipt of scrip shares from Paul Y. - ITC on 29th October, 2004, the Group's interest was decreased from 55.06% as at 30th September, 2004 to 49.58% as at the date of this report and Paul Y. - ITC has become an associated company of the Company with effect from 20th October, 2004.

Acquisition of property interest in Hong Kong

On 20th October, 2004, a wholly-owned subsidiary of the Company entered into a provisional sale and purchase agreement with a third party to acquire the whole of the 30th Floor and carparking spaces No. 4087, 4088, 4089 and 4043 on 4th Floor, Bank of America Tower, No. 12 Harcourt Road, Hong Kong at a consideration of approximately HK\$102 million. The acquisition of the property has been approved by the ordinary shareholders of the Company on 26th November, 2004 and is expected to be completed on or before 30th December, 2004. The property will be used as a downtown office for the Group.

Conversion of existing convertible preference shares into redeemable convertible preference shares

Upon the approval by the ordinary shareholders and preference shareholders on 13th October, 2004, the conversion of existing convertible preference shares into redeemable convertible preference shares has taken effect from 3rd November, 2004. The redeemable convertible preference shares will be redeemed, according to their terms, at HK\$1.06 per share on 3rd November, 2007.

SECURITIES IN ISSUE

As at the date of this report, the total numbers of issued ordinary shares and issued redeemable convertible preference shares of the Company are 654,294,107 and 267,980,000 respectively of HK\$0.10 each.

OUTLOOK

The recent releases of economic growth rate, unemployment rate and other indicators have confirmed the recovery of the Hong Kong economy. The rebound of property value, the implementation of the Closer Economic Partnership Arrangement (the "CEPA") and the Individual Visit Scheme have all contributed to the economic growth which is expected to continue. The Group is well-prepared to capture any opportunities in the course of the economy growth and under the CEPA to explore high potential investment and business in Hong Kong and the Mainland. Building on its existing platform with stringent cost control measures to maintain a sound financial management, and under a prudent investment and development policy, the Group continues to pursue its long term strategy and exploring high potential investments and attractive business opportunities. Barring unforeseen circumstances, the Group is poised to face up challenges with great confidence.

收購位於內地之物業權益

於本期間之結算日後，保華德祥收購益廣投資有限公司。該公司為物業發展公司，主要從事一個位於國內廣東省台山市之物業發展項目。

出售保華德祥之股份

於二零零四年八月十八日，董事會宣佈本集團計劃配售足夠數目之保華德祥股份以使到於配售完成後，保華德祥將成為本公司之聯營公司。於二零零四年十月二十日，本公司以每股1.05港元之價格出售77,000,000股保華德祥股份。在出售事項以及於二零零四年十月二十九日收到保華德祥發行之代息股份後，本集團持有之保華德祥權益由二零零四年九月三十日之55.06%減至於本報告刊發日期之49.58%，而保華德祥亦由二零零四年十月二十日起成為本公司之聯營公司。

收購位於香港之物業權益

於二零零四年十月二十日，本公司之一間全資附屬公司與一第三方訂立臨時買賣協議，以約102,000,000港元代價收購香港夏愨道12號美國銀行中心30樓全層及4樓4087、4088、4089及4043號泊車位。是項物業收購已於二零零四年十一月二十六日獲本公司普通股股東批准，預計將於二零零四年十二月三十日或之前完成。該物業將用作本集團在市中心樞紐位置之辦事處。

現有可換股優先股轉換成可贖回可換股優先股

自普通股股東與優先股股東於二零零四年十月十三日批准後，現有可換股優先股已由二零零四年十一月三日起轉換成可贖回可換股優先股。可贖回可換股優先股將根據其條款於二零零七年十一月三日按每股1.06港元之價格予以贖回。

已發行之證券

於本報告刊發日期，本公司之已發行普通股及已發行可贖回可換股優先股總數分別為654,294,107股及267,980,000股（每股面值0.10港元）。

展望

近日發表之經濟增長數據、失業率及其他指標均證實香港經濟正在復甦。物業價值回升、更緊密經貿關係安排與個人遊計劃之實施將推動經濟保持增長。本集團已準備好把握經濟增長以及更緊密經貿關係安排帶來之大好形勢中的任何商機，發掘中港兩地潛力優厚之投資及業務。憑藉其嚴謹之成本控制措施建立之穩健財務管理基石，再配合審慎之投資及發展政策，本集團將貫徹其長線策略、發掘潛力可觀之投資項目及具吸引力之商機。如無發生不可預見之情況，本集團有信心從容面對往後之挑戰。



DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September, 2004, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register of the Company required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") were as follows:

(a) Interests and short positions in shares and underlying shares and debentures of the Company

Name of director	Capacity	Long position/ Short position	No. of ordinary shares of the Company held	No. of underlying shares (in respect of convertible notes (unlisted equity derivatives)) of the Company held 所持本公司之相關 股份(有關可換股 票據(非上市股本 衍生工具))數目	Approximate % of the issued ordinary share capital of the Company 佔本公司 已發行 普通股股本 概約百分比
董事姓名	身份	好倉 / 淡倉	所持本公司 普通股數目		普通股股本 概約百分比
Chan Kwok Keung, Charles 陳國強	Interest of controlled corporation (Note 1) 於受控制法團 之權益 (附註1)	Long position 好倉	219,681,911	-	33.58%
Chan Kwok Keung, Charles 陳國強	Beneficial owner 實益擁有人	Long position 好倉	-	833,333,333 (Note 2) (附註2)	127.36%

Notes:

- Galaxyway Investments Limited was a wholly-owned subsidiary of Chinaview International Limited which was, in turn, wholly owned by Dr. Chan Kwok Keung, Charles. Dr. Chan Kwok Keung, Charles was deemed to be interested in 219,681,911 ordinary shares of the Company held by Galaxyway Investments Limited.
- Dr. Chan Kwok Keung, Charles owned convertible notes issued by the Company in an aggregate principal amount of HK\$250,000,000 carrying rights to convert into 833,333,333 ordinary shares of the Company at an initial conversion price of HK\$0.30 per ordinary share, subject to adjustment.

董事於股份、相關股份及債券之權益及淡倉

於二零零四年九月三十日，本公司董事及主要行政人員於本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第十五部)之股份、相關股份及債券中持有根據證券及期貨條例第352條須登記於本公司所保存登記冊內之權益及淡倉，或根據香港聯合交易所有限公司(「香港聯交所」)證券上市規則(「上市規則」)之上市公司董事進行證券交易之標準守則(「標準守則」)而須另行知會本公司及香港聯交所之權益及淡倉如下：

(a) 於本公司之股份及相關股份及債券之權益及淡倉

附註：

- Galaxyway Investments Limited為Chinaview International Limited之全資附屬公司，而Chinaview International Limited則由陳國強博士全資擁有。陳國強博士被視為於Galaxyway Investments Limited所持之219,681,911股本公司普通股中擁有權益。
- 陳國強博士擁有由本公司發行本金總額為250,000,000港元之可換股票據，附有可按初步換股價每股普通股0.30港元(可予調整)轉換成833,333,333股本公司普通股之權利。

(b) Interests and short positions in shares, underlying shares and debentures of Paul Y. - ITC

(b) 於保華德祥之股份、相關股份及債券之權益及淡倉

Name of director 董事姓名	Capacity 身份	Long position/ Short position 好倉／淡倉	No. of shares of Paul Y. - ITC held 所持保華德祥 股份數目	Approximate % of the issued share capital of Paul Y. - ITC 佔保華德祥已發行 股本概約百分比
Chan Kwok Keung, Charles 陳國強	Interest of controlled corporation (Note) 於受控制法團之權益 (附註)	Long position 好倉	740,668,056	55.06%
Chan Kwok Keung, Charles 陳國強	Beneficial owner 實益擁有人	Long position 好倉	11,603,952	0.86%
Cheung Hon Kit 張漢傑	Beneficial owner 實益擁有人	Long position 好倉	400	0.00%

Note: The shares of Paul Y. - ITC were held by a wholly-owned subsidiary of the Company. By virtue of his deemed interests in approximately 33.58% of the issued ordinary share capital of the Company, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares.

附註：該等保華德祥股份由本公司之一間全資附屬公司持有。鑑於陳國強博士被視作擁有本公司已發行普通股股本約33.58%權益，故陳國強博士被視作擁有該等股份之權益。

(c) Interests and short positions in shares, underlying shares and debentures of Hanny

(c) 於錦興之股份、相關股份及債券之權益及淡倉

Name of director 董事姓名	Capacity 身份	Long position/ Short position 好倉／淡倉	No. of shares of Hanny held 所持錦興 股份數目	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of Hanny held 所持錦興之相關 股份(有關購股權 (非上市股本 衍生工具))數目	Approximate % of the issued share capital of Hanny 佔錦興 已發行 股本概約 百分比
Chan Kwok Keung, Charles 陳國強	Interest of controlled corporation (Note) 於受控制法團 之權益(附註)	Long position 好倉	45,798,813	-	24.55%
Chan Kwok Keung, Charles 陳國強	Beneficial owner 實益擁有人	Long position 好倉	-	5,600,000	3.00%
Chan Kwok Hung 陳國鴻	Beneficial owner 實益擁有人	Long position 好倉	-	3,350,000	1.80%

Note: The shares of Hanny were held by a wholly-owned subsidiary of the Company. By virtue of his deemed interests in approximately 33.58% of the issued ordinary share capital of the Company, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares.

附註：該等錦興股份由本公司之一間全資附屬公司持有。鑑於陳國強博士被視作擁有本公司已發行普通股股本約33.58%權益，故陳國強博士被視作擁有該等股份之權益。



(d) Interests and short positions in shares, underlying shares and debentures of Burcon**(d) 於Burcon之股份、相關股份及債券之權益及淡倉**

Name of director	Capacity	Long position/ Short position	No. of shares of Burcon held	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of Burcon held 所持Burcon之相關 股份(有關購股權 (非上市股本衍生 工具))數目	Approximate % of the issued share capital of Burcon 佔Burcon 已發行 股本概約 百分比
董事姓名	身份	好倉／淡倉	所持Burcon 股份數目		
Chau Mei Wah, Rosanna 周美華	Beneficial owner 實益擁有人	Long position 好倉	280,000	-	1.55%
Chau Mei Wah, Rosanna 周美華	Beneficial owner 實益擁有人	Long position 好倉	-	65,000	0.36%

(e) Interests and short positions in shares, underlying shares and debentures of China Strategic**(e) 於中策之股份、相關股份及債券之權益及淡倉**

Name of director	Capacity	Long position/ Short position	No. of shares of China Strategic held	Approximate % of the issued share capital of China Strategic 佔中策 已發行 股本概約 百分比
董事姓名	身份	好倉／淡倉	所持中策 股份數目	
Chan Kwok Keung, Charles 陳國強	Interest of controlled corporation (Note) 於受控制法團 之權益(附註)	Long position 好倉	258,819,795	29.36%

Note: The shares of China Strategic were held by a wholly-owned subsidiary of Paul Y. - ITC, of which a wholly-owned subsidiary of the Company owned approximately 55.06% of the issued share capital. By virtue of his deemed interests in approximately 33.58% of the issued ordinary share capital of the Company, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares.

附註：該等中策股份由保華德祥之一間全資附屬公司持有，而本公司之一間全資附屬公司擁有保華德祥已發行股本約55.06%權益。鑑於陳國強博士被視作擁有本公司已發行普通股股本約33.58%權益，故陳國強博士被視作擁有該等股份之權益。

Paul Y. - ITC, Hanny, Burcon and China Strategic are associated corporations, within the meaning of Part XV of the SFO, of the Company.

根據證券及期貨條例第十五部之定義，保華德祥、錦興、Burcon及中策乃本公司之相聯法團。

Dr. Chan Kwok Keung, Charles was, by virtue of his deemed interest in approximately 33.58% of the issued ordinary share capital of the Company, deemed to be interested in the shares and underlying shares (in respect of equity derivatives), if any, of associated corporations (within the meaning of the Part XV of the SFO) of the Company held by the Group under the Part XV of the SFO.

鑑於陳國強博士被視作擁有本公司已發行普通股股本約33.58%權益，故根據證券及期貨條例第十五部，陳國強博士被視作擁有本集團持有之本公司相聯法團(定義見證券及期貨條例第十五部)之股份及相關股份(有關股本衍生工具)(如有)之權益。

Save as disclosed above, as at 30th September, 2004, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零零四年九月三十日，本公司董事或主要行政人員概無於本公司或任何相聯法團(定義見證券及期貨條例第十五部)之股份、相關股份或債券中擁有根據證券及期貨條例第352條須登記於本公司所保存登記冊內之任何權益或淡倉，或根據標準守則而須另行知會本公司及香港聯交所之權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

(a) Share options of the Company

As at 30th September, 2004, there were no outstanding share options granted by the Company pursuant to the share option scheme of the Company adopted on 16th January, 2002. No share options were granted, exercised, cancelled or lapsed during the period.

(b) Share options of Paul Y. - ITC

As at 30th September, 2004, there were no outstanding share options granted by Paul Y. - ITC pursuant to the share option scheme of the Company adopted on 27th August, 2002. No share options were granted, exercised, cancelled or lapsed during the period.

Save as disclosed herein, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate, and none of the directors, chief executives or their spouse or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the period.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 30th September, 2004, so far as is known to the directors and the chief executive of the Company, the interests or short positions of substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

(a) Interests and short positions of substantial shareholders in shares and underlying shares of the Company

Name	Capacity	Long position/ Short position	No. of ordinary shares of the Company held	No. of underlying shares (in respect of unlisted equity derivatives) of the Company held 所持本公司之相關 股份(有關非上市 股本衍生工具)數目	Approximate % of the issued ordinary share capital of the Company 佔本公司 已發行普通股 股本概約百分比
姓名/名稱	身份	好倉/淡倉	所持本公司 普通股數目	股本衍生工具數目	股本概約百分比
Chan Kwok Keung, Charles 陳國強	Interest of controlled corporation (Note) 於受控制法團之權益(附註)	Long position 好倉	219,681,911	-	33.58%
Chan Kwok Keung, Charles 陳國強	Beneficial owner (Note) 實益擁有人(附註)	Long position 好倉	-	833,333,333	127.36%

董事購買股份或債券之權利

(a) 本公司之購股權

於二零零四年九月三十日，本公司並無根據本公司於二零零二年一月十六日採納之購股權計劃授出任何尚未行使之購股權。期內亦無任何購股權授出、行使、註銷或作廢。

(b) 保華德祥之購股權

於二零零四年九月三十日，本公司並無根據保華德祥於二零零二年八月二十七日採納之購股權計劃授出任何尚未行使之購股權。期內亦無任何購股權授出、行使、註銷或作廢。

除本文所披露者外，本公司或其任何附屬公司於期內並無訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益，而董事、主要行政人員或彼等之配偶或未滿十八歲之子女於期內概無擁有可認購本公司證券之任何權利，亦無行使任何該等權利。

根據證券及期貨條例第336條保存之登記冊所記錄之主要股東/其他人士之權益及淡倉

於二零零四年九月三十日，就本公司董事及主要行政人員所知，根據證券及期貨條例第336條保存之本公司登記冊所記錄之主要股東/其他人士於本公司之股份及相關股份之權益或淡倉如下：

(a) 主要股東於本公司股份及相關股份之權益及淡倉



(a) Interests and short positions of substantial shareholders in shares and underlying shares of the Company (continued)

(a) 主要股東於本公司股份及相關股份之權益及淡倉(續)

Name	Capacity	Long position/ Short position	No. of ordinary shares of the Company held	No. of underlying shares (in respect of unlisted equity derivatives) of the Company held	Approximate % of the issued ordinary share capital of the Company
姓名/名稱	身份	好倉/淡倉	所持本公司 普通股數目	所持本公司之相關 股份(有關非上市 股本衍生工具)數目	佔本公司 已發行普通股 股本概約百分比
Chinaview International Limited	Interest of controlled corporation (Note) 於受控制法團之權益(附註)	Long position 好倉	219,681,911	-	33.58%
Galaxyway Investments Limited	Beneficial owner (Note) 實益擁有人(附註)	Long position 好倉	219,681,911	-	33.58%
Ng Yuen Lan, Macy 伍婉蘭	Interest of spouse (Note) 配偶權益(附註)	Long position 好倉	219,681,911	-	33.58%
Ng Yuen Lan, Macy 伍婉蘭	Interest of spouse (Note) 配偶權益(附註)	Long position 好倉	-	833,333,333	127.36%

Note: Galaxyway Investments Limited was a wholly-owned subsidiary of Chinaview International Limited which was in turn wholly owned by Dr. Chan Kwok Keung, Charles. Ms. Ng Yuen Lan, Macy was the spouse of Dr. Chan Kwok Keung, Charles. Chinaview International Limited, Dr. Chan Kwok Keung, Charles and Ms. Ng Yuen Lan, Macy were deemed to be interested in the ordinary shares of the Company held by Galaxyway Investments Limited.

Dr. Chan Kwok Keung, Charles owned convertible notes issued by the Company in an aggregate principal amount of HK\$250,000,000 carrying rights to convert into 833,333,333 ordinary shares of the Company at an initial conversion price of HK\$0.30 per ordinary share, subject to adjustment. Ms. Ng Yuen Lan, Macy, being the spouse of Dr. Chan Kwok Keung, Charles, was deemed to be interested in the underlying shares (in respect of the convertible notes (unlisted equity derivatives)) held by Dr. Chan Kwok Keung, Charles.

附註：Galaxyway Investments Limited為Chinaview International Limited之一間全資附屬公司，而Chinaview International Limited則由陳國強博士全資擁有。伍婉蘭女士為陳國強博士之配偶。Chinaview International Limited、陳國強博士及伍婉蘭女士均被視作於由Galaxyway Investments Limited所持本公司之普通股中擁有權益。

陳國強博士擁有由本公司發行本金總額為250,000,000港元之可換股票據，附有可按初步換股價每股普通股0.30港元(可予調整)轉換成833,333,333股本公司普通股之權利。伍婉蘭女士為陳國強博士之配偶，故被視作於由陳國強博士持有之相關股份(有關可換股票據(非上市股本衍生工具))中擁有權益。

(b) Interests and short positions of other persons in shares and underlying shares of the Company

(b) 其他人士於本公司股份及相關股份之權益及淡倉

Name	Capacity	Long position/ Short position	No. of ordinary shares of the Company held	No. of underlying shares (in respect of unlisted equity derivatives) of the Company held	Approximate % of the issued ordinary share capital of the Company
姓名/名稱	身份	好倉/淡倉	所持本公司 普通股數目	所持本公司之相關 股份(有關非上市 股本衍生工具)數目	佔本公司 已發行普通股 股本概約百分比
Leung Choi Yin 梁彩燕	Beneficial owner 實益擁有人	Long position 好倉	32,053,333	-	4.90%
Leung Choi Yin 梁彩燕	Beneficial owner 實益擁有人	Long position 好倉	-	26,666,667	4.08%
Gold Device Ltd.	Beneficial owner 實益擁有人	Long position 好倉	-	40,000,000	6.11%
Wang Yung-tyng 王榮廷	Interest of controlled corporation (Note) 於受控制法團之權益(附註)	Long position 好倉	-	40,000,000	6.11%

Note: Gold Device Ltd. was wholly owned by Mr. Wang Yung-tyng. Mr. Wang Yung-tyng was deemed to be interested in the underlying shares (in respect of the unlisted equity derivatives) held by Gold Device Ltd..

附註：Gold Device Ltd.由王榮廷先生全資擁有。王榮廷先生被視作於Gold Device Ltd.所持之相關股份(有關非上市股本衍生工具)中擁有權益。

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30th September, 2004.

除上文所披露者外，於二零零四年九月三十日，根據證券及期貨條例第336條本公司須保存之登記冊所記錄，概無其他人士擁有本公司之股份或相關股份之權益或淡倉。

DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

The following disclosure is made by the Company pursuant to Rules 13.20 and 13.22 of the Listing Rules:

(1) Advances to entities

Pursuant to Rule 13.20 of the Listing Rules, the details of the advances ("Advances") to and trading balances due from the entities as at 30th September, 2004 which individually exceeded 8% of one or more of the relevant percentage ratios as set out in the Rule 14.07 of the Listing Rules are as follows:

Entities	Amount of Advances HK\$'000	Interest rate	Amount of trading balances (Note 1) HK\$'000	Total HK\$'000	Percentage of Total Assets (Note 2)	Percentage of Market Capitalisation (Note 3)
實體	貸款金額 千港元	貸款之利率	貿易結餘金額 (附註1) 千港元	總計 千港元	佔總資產之百分比 (附註2)	佔市值之百分比 (附註3)
China Strategic, its subsidiaries and its affiliated companies, excluding China Velocity Group Limited ("China Velocity") and Wing On Travel (Note 4) 中策、其附屬公司及其聯屬公司 (不包括中國高速(集團)有限公司(「中國高速」)及永安旅遊)(附註4)	181,836	Prime rate + 2% 最優惠利率加2厘	1,242	183,078	2.9%	108.5%
Hanny, its subsidiaries and its affiliated companies, excluding China Strategic (Note 5) 錦興、其附屬公司及其聯屬公司 (不包括中策)(附註5)	156,006	Prime rate + 2% 最優惠利率加2厘	3,430	159,436	2.5%	94.4%
Wing On Travel, its subsidiaries and its affiliated companies (Note 4) 永安旅遊、其附屬公司及其聯屬公司(附註4)	113,247	Prime rate + 2% 最優惠利率加2厘	5,734	118,981	1.9%	70.5%
China Velocity, its subsidiaries and its affiliated companies (Note 4) 中國高速、其附屬公司及其聯屬公司(附註4)	101,711 (Note 6)	Prime rate + 0.25% 最優惠利率加0.25厘	1,765	103,476	1.6%	61.3%
Bongear Enterprises Limited 寶來德企業有限公司	80,206	Prime rate + 1% 最優惠利率加1厘	-	80,206	1.2%	47.5%
Banyan Profits Limited	69,869	Prime rate - 2% 最優惠利率減2厘	-	69,869	1.1%	41.4%
SMI Corporation Limited ("SMI"), its subsidiaries and its affiliated companies 星美國際集團有限公司 (「星美國際」)、其附屬公司及其聯屬公司	11,733 (Note 7) 30,662 (Note 8)	Prime rate + 3% 最優惠利率加3厘	2,922	45,317	0.7%	26.8%
Digital World Technology Limited	14,270	Prime rate + 2% 最優惠利率加2厘	23,666	37,936	0.6%	22.5%

上市規則第 13.20 及 13.22 條規定之披露

本公司茲根據上市規則第 13.20 及 13.22 條作出以下披露：

(1) 向實體提供貸款

根據上市規則第 13.20 條，於二零零四年九月三十日，有關本集團向實體提供貸款（「貸款」）及應收實體之貿易結餘，該等貸款及結餘個別均超逾上市規則第 14.07 條所載之一個或以上之有關百分比比率之 8%，詳情如下：



(1) Advances to entities (continued)

(1) 向實體提供貸款 (續)

Entities	Amount of Advances HK\$'000	Interest rate	Amount of trading balances (Note 1) HK\$'000	Total HK\$'000	Percentage of Total Assets (Note 2)	Percentage of Market Capitalisation (Note 3)
實體	貸款金額 千港元	貸款之利率	貿易結餘金額 (附註1) 千港元	總計 千港元	佔總資產 之百分比 (附註2)	佔市值之 百分比 (附註3)
Gold Signature Securities Limited	22,664	Prime rate + 2% 最優惠利率 加2厘	-	22,664	0.4%	13.4%
Fine On Company	2,483	Prime rate + 1% 最優惠利率 加1厘	-	17,555	0.3%	10.4%
	15,072	Prime rate + 2% 最優惠利率 加2厘				

Notes

- All of the trading balances are interest free.
- "Total Assets" means the total assets of the Group of HK\$6,418,678,000 as at 30th September, 2004 calculated in accordance with Rule 14.04(12) of the Listing Rules with reference to the Group's consolidated balance sheet as at 30th September, 2004.
- "Market Capitalisation" is the average closing price of the Company as stated in the daily quotation sheets of the Hong Kong Stock Exchange for the five business days immediately preceding 30th September, 2004.
- China Strategic is owned as to 29.4% by Paul Y. – ITC and is also an affiliated company of the Company (as defined in Rule 13.11(2)(a) of the Listing Rules). Wing On Travel and China Velocity are indirectly owned as to 32.2% and 22.7% respectively by China Strategic.
- Hanny is owned as to 24.6% by the Company and is also an affiliated company of the Company (as defined in Rule 13.11(2)(a) of the Listing Rules).
- Amount repayable by instalment with final maturity on 30th June, 2005.
- Amount repayable on 31st December, 2004.
- Amount repayable on demand and on 30th April, 2005.

The amounts are unsecured and, except as otherwise stated above in notes 6 to 8, are repayable on demand.

The Group advanced the monies to these entities for their general working capital purpose in return of interest income. The trading balances above represent amounts arising from rental and related building management services, sharing of administrative services and construction and project management services rendered to the respective entities as follows:

附註

- 貿易結餘均為免息。
- [總資產]指根據上市規則第14.04(12)條之規定參照本集團截至二零零四年九月三十日之綜合資產負債表而得出本集團截至二零零四年九月三十日之總資產為6,418,678,000港元。
- [市值]指香港聯交所每日報價表所示緊接於二零零四年九月三十日前五個營業日之本公司股份平均收市價。
- 中策由保華德祥擁有29.4%，其亦為本公司之聯屬公司(定義見上市規則第13.11(2)(a)條)。永安旅遊與中國高速分別由中策間接擁有32.2%及22.7%。
- 錦興由本公司擁有24.6%，其亦為本公司之聯屬公司(定義見上市規則第13.11(2)(a)條)。
- 有關款項須於二零零五年六月三十日前分期償清。
- 有關款項須於二零零四年十二月三十一日償還。
- 有關款項須於要求時及於二零零五年四月三十日償還。

該等款項為無抵押，而除上文附註6至8另有指明者外，有關款項須於要求時償還。

本集團向以上實體提供貸款，以便有關實體用作一般營運資金，並就此收取利息收入。上列貿易結餘代表向有關實體提供租賃及相關樓宇管理服務、共用行政服務及建築與項目管理服務而產生之款項，詳情如下：

	Rental and related building management services HK\$'000 租賃及相關樓宇管理服務 千港元	Construction and project management services HK\$'000 建築及項目管理服務 千港元	Share of administrative services HK\$'000 共用行政服務 千港元	Staff secondment services HK\$'000 員工暫調服務 千港元	Total HK\$'000 總計 千港元
China Strategic group	中策集團	279	-	963	1,242
Hanny group	錦興集團	2,813	-	330	3,430
Wing On Travel group	永安旅遊集團	3,825	-	1,798	5,734
China Velocity group	中國高速集團	-	-	89	1,765
SMI group	星美國際集團	-	-	2,922	2,922
Digital World Technology Limited	Digital World Technology Limited	-	23,666	-	23,666
		6,917	23,666	6,102	38,759

(1) Advances to entities (continued)

In addition, as at 30th September, 2004, the Group had the following trading balances including retention monies ("Trade Receivable") due from eight trade customers, their subsidiaries and their affiliated companies which individually exceeded 8% of one or more of the relevant percentage ratios as set out in Rule 14.07 of the Listing Rules:

		Amount of Trade Receivable HK\$'000 應收賬款 之金額 千港元	Percentage of Total Assets 佔總資產 之百分比	Percentage of Market Capitalisation 佔市值 之百分比
Cyber-port Limited	資訊港有限公司	289,181	4.5%	171.3%
Cheung Kong (Holdings) Limited, its subsidiaries and its affiliated companies (Note)	長江實業(集團)有限公司 、其附屬公司及 其聯屬公司(附註)	226,780	3.5%	134.3%
Hutchison Whampoa Limited, its subsidiaries and its affiliated companies (Note)	和記黃埔有限公司、 其附屬公司及 其聯屬公司(附註)	140,129	2.2%	83.0%
Hong Kong Housing Authority	香港房屋委員會	51,293	0.8%	30.4%
Tak Shing Investment Co Ltd	德成置業有限公司	27,792	0.4%	16.5%
Highways Department	路政署	26,015	0.4%	15.4%
Gainer Developments Limited	勁達發展有限公司	18,013	0.3%	10.7%
CLP Power Hong Kong Limited	中華電力有限公司	13,595	0.2%	8.1%

Note: The amounts of Trade Receivable from (1) Cheung Kong (Holdings) Limited, its subsidiaries and its affiliated companies; and (2) Hutchison Whampoa Limited, its subsidiaries and its affiliated companies set out in the table above both includes the Trade Receivable from Hutchison Whampoa Limited and its subsidiaries in the sum of approximately HK\$63,613,000.

The Trade Receivable, which is unsecured, interest free and with payment terms within 1.5 month from date of certification, arose from construction services rendered by the Paul Y. - ITC group to the relevant customers. As at 30th September, 2004, there are no other balances due by the entities listed above.

(2) Financial assistance given to and trading balance due from affiliated companies

Pursuant to Rule 13.22 of the Listing Rules, the pro forma combined balance sheet of the affiliated companies and the Group's attributable interest in these affiliated companies based on their latest financial statements available are presented below:

		Pro forma combined balance sheet HK\$'000 備考合併 資產負債表 千港元	Group's attributable interest HK\$'000 本集團 應佔權益 千港元
Non-current assets	非流動資產	7,990,760	1,837,235
Current assets	流動資產	9,384,060	2,145,145
Current liabilities	流動負債	(6,149,525)	(1,389,047)
Non-current liabilities	非流動負債	(2,777,875)	(610,126)
Minority interests	少數股東權益	(675,825)	(178,544)
		<u>7,771,595</u>	<u>1,804,663</u>

(1) 向實體提供貸款(續)

此外，於二零零四年三月三十一日，本集團有應收八名貿易客戶、彼等之附屬公司及彼等之聯屬公司之貿易結餘(包括保留金)(「應收賬款」)，其各自應收賬款均超逾上市規則第14.07條所載之一個或以上有關百分比比率之8%：

附註：上表所載應收(1)長江實業(集團)有限公司、其附屬公司及聯屬公司；及(2)和記黃埔有限公司、其附屬公司及聯屬公司之應收賬款之金額均包括應收和記黃埔有限公司及其附屬公司約63,613,000港元之應收賬款。

應收賬款為無抵押及免息，須於通過核證日期起計一個半月內償還。有關應收賬款是由保華德祥集團向有關客戶提供之建築服務產生。於二零零四年九月三十日，並無其他應收上列實體之結餘。

(2) 給予及應收聯屬公司之財務資助及貿易結餘

根據上市規則第13.22條，按聯屬公司最近期提供之財務報表之該等聯屬公司之備考合併資產負債表及本集團應佔此等聯屬公司之權益載列如下：



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

During the six months ended 30th September, 2004, there were no purchases, sales or redemptions by the Company, or any of its subsidiaries, of the Company's listed securities.

CODE OF BEST PRACTICE

None of the directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th September, 2004, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules, except that the independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors.

All directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code during the six months ended 30th September, 2004.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the unaudited interim financial report for the six months ended 30th September, 2004.

The interim financial report of the Company for the six months ended 30th September, 2004 has been reviewed by the auditors, Deloitte Touche Tohmatsu in accordance with Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Institute of Certified Public Accountants and an unmodified review report is issued.

GENERAL

As at the date of this report, the Board comprises nine directors, of which (i) six are executive directors, namely, Dr. Chan Kwok Keung, Charles, Mr. Lau Ko Yuen, Tom, Ms. Chau Mei Wah, Rosanna, Mr. Chan Kwok Hung, Mr. Chan Fut Yan and Mr. Cheung Hon Kit; and (ii) three are independent non-executive directors, namely, Mr. Chuck Winston Calptor, Mr. Lee Kit Wah and Mr. Wong Kam Cheong, Stanley.

On Behalf of the Board

Dr. Chan Kwok Keung, Charles
Chairman

Hong Kong, 23rd December, 2004

購買、出售或贖回本公司上市證券

於截至二零零四年九月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

最佳應用守則

各董事概無知悉任何資料，足以合理地顯示本公司現時或於內任何時間，未有遵守上市規則附錄十四所載之最佳應用守則，惟本公司獨立非執行董事並無指定任期，而是根據本公司之公司細則，彼等須在本公司之股東週年大會上輪值退任及膺選連任。

標準守則

本公司已採納上市規則附錄十的標準守則作為董事進行證券交易之標準守則。

本公司向全體董事作出具體查詢後，彼等確認於截至二零零四年九月三十日止六個月內一直符合標準守則所規定之標準。

審核委員會

審核委員會與管理層已審閱本集團採納之會計原則及慣例，並就審計、財務申報過程及內部監控事項，包括審閱截至二零零四年九月三十日止六個月之未經審核中期財務報告作商討。

本公司截至二零零四年九月三十日止六個月之未經審核財務報告已經由核數師德勤•關黃陳方會計師行根據香港會計師公會頒佈之核數準則第700號「審閱中期財務報告」進行審閱，並發出無保留意見審閱報告。

一般事項

於本報告刊發日期，董事局成員包括九名董事，其中(i)六名執行董事，分別為陳國強博士、劉高原先生、周美華女士、陳國鴻先生、陳佛恩先生及張漢傑先生；及(ii)三名獨立非執行董事，分別為卓育賢先生、李傑華先生及黃錦昌先生。

代表董事局

主席
陳國強博士

香港，二零零四年十二月二十三日

INDEPENDENT REVIEW REPORT

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF ITC CORPORATION LIMITED
(Incorporated in Bermuda with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 21 to 35.

Directors' responsibilities

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards No. 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of the management and applying analytical procedures to the interim financial report and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th September, 2004.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 23rd December, 2004

獨立審閱報告

致德祥企業集團有限公司董事局
(於百慕達註冊成立之有限公司)

緒言

本核數師行已根據貴公司之指示審閱載於第21至第35頁之中期財務報告。

董事之責任

香港聯合交易所有限公司證券上市規則規定中期財務報告須根據香港會計師公會頒佈之會計實務準則第25號「中期財務報告」及有關規定編製。編製中期財務報告乃董事之責任，並已由彼等審批。

本行之責任是根據審閱之結果，對中期財務報告出具獨立結論，並按照雙方所協定之應聘書條款僅向整體董事局報告，除此之外本報告別無其他目的。本行不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱工作

本行之審閱工作乃根據香港會計師公會頒佈之《核數準則》第700號「審閱中期財務報告」進行。審閱工作主要包括向管理層作出查詢及運用分析性程序對中期財務報告作出分析，並據此評估所採納之會計政策及列報形式是否一致及貫徹地運用(除非已另作披露)。審閱工作並不包括審計程序(如測試監控系統及核實資產、負債及交易活動)。由於審閱之工作範圍較審計工作少，因此只能提供較審計工作為低之確定程度，故本行不會對中期財務報告作出審計意見。

審閱結論

根據本行審閱(並不構成審計工作)之結果，本行並不察覺須對截至二零零四年九月三十日止六個月之中期財務報告作出任何重大修改。

德勤•關黃陳方會計師行
執業會計師

香港，二零零四年十二月二十三日



CONDENSED CONSOLIDATED INCOME STATEMENT 簡明綜合收入報表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2004 截至二零零四年九月三十日止六個月

		(Unaudited)	
		Six months ended	
		30th September,	
		2004	2003
		HK\$'000	HK\$'000
		(未經審核)	
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
	Notes		
	附註		
Turnover	營業額	1,704,936	1,698,387
Cost of sales	銷售成本	<u>(1,589,929)</u>	<u>(1,646,834)</u>
Gross profit	毛利	115,007	51,553
Other operating income	其他經營收入	19,964	51,097
Administrative expenses	行政開支	<u>(76,045)</u>	<u>(73,648)</u>
Profit from operations	經營業務所得溢利	58,926	29,002
Finance costs	財務成本	<u>(11,264)</u>	<u>(21,388)</u>
Investment expenses – net	投資開支 – 淨額	(485)	(4,123)
Impairment loss on investment properties	投資物業折損	–	(15,700)
Allowance for amount due from an associate and a related company	應收一間聯營公司及一間關連公司款項撥備	<u>(799)</u>	<u>(2,424)</u>
Loss on dilution of interests in subsidiaries and associates	攤薄附屬公司及聯營公司權益之虧損	<u>(14,757)</u>	<u>(3,134)</u>
Share of results of associates	攤佔聯營公司業績	64,644	129,325
Share of results of jointly controlled entities	攤佔共同控制機構業績	<u>118</u>	<u>7,974</u>
Profit before taxation	除稅前溢利	96,383	119,532
Taxation	稅項	<u>(48,872)</u>	<u>(56,691)</u>
Profit before minority interests	未計少數股東權益前溢利	47,511	62,841
Minority interests	少數股東權益	<u>(21,240)</u>	<u>(15,200)</u>
Profit for the period	期內溢利	<u>26,271</u>	<u>47,641</u>
Dividends	股息	<u>6,543</u>	–
Earnings per share	每股盈利		
Basic (cents)	基本 (仙)	<u>2.6</u>	<u>6.1</u>
Diluted (cents)	攤薄 (仙)	<u>1.5</u>	<u>2.3</u>

CONDENSED CONSOLIDATED BALANCE SHEET 簡明綜合資產負債表

AT 30TH SEPTEMBER, 2004 於二零零四年九月三十日

			(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
	Notes			
	附註			
Non-current assets		非流動資產		
Investment properties	10	投資物業	455,000	515,000
Property, plant and equipment	10	物業、廠房及設備	427,286	452,374
Project under development	11	發展中項目	1,692,113	-
Negative goodwill		負商譽	(290,950)	(314,540)
Interests in associates	12	聯營公司權益	1,673,132	1,750,489
Interests in jointly controlled entities		共同控制機構權益	8,934	14,817
Other non-current assets		其他非流動資產	24,960	77,608
			3,990,475	2,495,748
Current assets		流動資產		
Amounts due from customers for contract works		應收客戶合約 工程款項	173,185	273,210
Debtors, deposits and prepayments	13	應收賬款、訂金及 預付款項	1,198,140	1,214,942
Investments in securities		證券投資	27,641	39,374
Short-term bank deposits, bank balances and cash		短期銀行存款、 銀行結存及現金	270,303	303,051
Other current assets		其他流動資產	774,707	656,188
			2,443,976	2,486,765
Current liabilities		流動負債		
Amounts due to customers for contract works		應付客戶合約 工程款項	412,858	456,140
Creditors and accrued expenses	14	應付賬款及應計開支	894,060	888,474
Amount due to a minority shareholder		應付少數股東款項	100,000	-
Bank borrowings – due within one year		一年內到期之銀行借款	109,386	58,247
Other loans – due within one year		一年內到期之其他貸款	17,317	17,317
Other current liabilities		其他流動負債	24,145	153,129
			1,557,766	1,573,307
Net current assets		流動資產淨值	886,210	913,458
Total assets less current liabilities		總資產減流動負債	4,876,685	3,409,206
Minority interests		少數股東權益	1,565,937	1,195,365
Non-current liabilities		非流動負債		
Convertible notes		可換股票據	289,167	289,050
Bank borrowings – due after one year		一年後到期之銀行借款	459,000	517,000
Loan from a minority shareholder		少數股東貸款	241,000	-
Provision for long service payment		長期服務金撥備	1,727	1,727
Deferred tax liabilities		遞延稅項負債	959,482	52,882
			1,950,376	860,659
			1,360,372	1,353,182
Capital and reserves		股本及儲備		
Share capital		股本	92,227	92,227
Reserves		儲備	1,268,145	1,260,955
			1,360,372	1,353,182



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明綜合權益變動表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2004 截至二零零四年九月三十日止六個月

		(Unaudited)									
		Share capital	Share premium	Contributed surplus	Capital redemption reserve	Other reserve	Properties revaluation reserve	Translation reserve	Goodwill reserve	Accumulated losses	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價	實繳盈餘	股本贖回儲備	其他儲備	物業重估儲備	匯兌儲備	商譽儲備	累計虧損	合計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st April, 2004	於二零零四年四月一日	92,227	209,889	2,092,234	908	7,130	3,414	81,548	(49,067)	(1,085,101)	1,353,182
Exchange differences arising from translation of overseas operations	換算海外業務產生之匯兌差額	-	-	-	-	-	-	(15,794)	-	-	(15,794)
Share of post-acquisition reserve movements of associates	攤佔聯營公司收購後儲備變動	-	-	-	-	2	-	(3,164)	-	-	(3,162)
Net gain (loss) not recognised in the condensed consolidated income statement	未於簡明綜合收入報表確認之收益(虧損)淨額	-	-	-	-	2	-	(18,958)	-	-	(18,956)
Share of post-acquisition reserve movements of associates	攤佔聯營公司收購後儲備變動	-	-	-	-	-	-	-	23	-	23
Released on disposal and dilution of interests in associates	出售及攤薄聯營公司權益時轉出	-	-	-	-	(102)	-	(102)	56	-	(148)
Transfer of contributed surplus	實繳盈餘轉出	-	-	(983,307)	-	-	-	-	-	983,307	-
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	26,271	26,271
At 30th September, 2004	於二零零四年九月三十日	92,227	209,889	1,108,927	908	7,030	3,414	62,488	(48,988)	(75,523)	1,360,372
At 1st April, 2003	於二零零三年四月一日	89,894	205,222	2,092,234	908	-	805	28,746	(98,531)	(1,114,038)	1,205,240
Exchange differences arising from translation of overseas operations	換算海外業務產生之匯兌差額	-	-	-	-	-	-	33,065	-	-	33,065
Share of post-acquisition reserve movements of associates	攤佔聯營公司收購後儲備變動	-	-	-	-	-	-	1,948	-	-	1,948
Net gain not recognised in the condensed consolidated income statement	未於簡明綜合收入報表確認之收益淨額	-	-	-	-	-	-	35,013	-	-	35,013
Released on disposal and dilution of interests in subsidiaries and associates	出售及攤薄附屬公司及聯營公司權益時轉出	-	-	-	-	-	(3)	(204)	1,053	-	846
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	47,641	47,641
At 30th September, 2003	於二零零三年九月三十日	89,894	205,222	2,092,234	908	-	802	63,555	(97,478)	(1,066,397)	1,288,740

Pursuant to the resolution passed on 22nd September, 2004 by the board of directors of the Company, the contributed surplus was transferred to eliminate the accumulated losses of the Company as at 31st March, 2004.

根據本公司董事局於二零零四年九月二十二日通過之決議案，實繳盈餘轉作抵銷本公司於二零零四年三月三十一日之累計虧損。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT 簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2004 截至二零零四年九月三十日止六個月

		(Unaudited)	
		Six months ended	
		30th September,	
		2004	2003
		HK\$'000	HK\$'000
		(未經審核)	
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
Net cash from operating activities	經營業務所得之現金淨額	84,451	69,182
Net cash used in investing activities	投資業務動用之現金淨額	(280,684)	(18,174)
Net cash from (used in) financing activities	融資業務所得(動用)之現金淨額	<u>167,731</u>	<u>(31,763)</u>
Net (decrease) increase in cash and cash equivalents	現金與現金等值項目(減少)增加淨額	(28,502)	19,245
Cash and cash equivalents at beginning of the period	期初現金與現金等值項目	271,804	195,654
Effect of foreign exchange rate changes	匯率變動影響	<u>(385)</u>	<u>(806)</u>
Cash and cash equivalents at end of the period	期終現金與現金等值項目	<u>242,917</u>	<u>214,093</u>
Analysis of the balances of cash and cash equivalents:	現金與現金等值項目結存分析:		
Short-term bank deposits, bank balances and cash	短期銀行存款、銀行結存及現金	270,303	284,124
Bank overdrafts	銀行透支	<u>(27,386)</u>	<u>(70,031)</u>
		<u>242,917</u>	<u>214,093</u>



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2004 截至二零零四年九月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties and investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2004.

3. TURNOVER AND SEGMENTAL INFORMATION

Business segments

For management purposes, the Group's operations are currently organised into nine operating divisions namely building construction, civil engineering, specialist works, construction materials, provision of finance, property leasing, sale of building materials and machinery, management services and investment. These divisions are the basis on which the Group reports its primary segment information.

Analyses of the Group's turnover and contribution to profit from operations by business segments are as follows:

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十六有關披露之適用規定及香港會計師公會頒佈之會計實務準則第25號「中期財務報告」之規定而編製。

2. 主要會計政策

簡明綜合財務報表乃根據歷史成本法編製，惟已就若干物業及證券投資之重估作出修訂。

所採納之會計政策乃與編製本集團截至二零零四年三月三十一日止年度之全年財務報表所採納者相符。

3. 營業額及分部資料

業務分部

就管理而言，本集團現將業務分為九個業務部門，即樓宇建築工程、土木工程、專項工程、建築材料、提供融資、物業租賃、銷售建築材料及機械、管理服務及投資。有關業務構成本集團申報其主要分部資料之基準。

按業務分部劃分之本集團營業額及經營業務所得溢利貢獻分析如下：

		Six months ended 30th September,					
		2004			2003		
		External	Inter-	Total	External	Inter-	Total
		HK\$'000	segment	HK\$'000	HK\$'000	segment	HK\$'000
		截至九月三十日止六個月					
		二零零四年			二零零三年		
		對外	分部間	合計	對外	分部間	合計
		千港元	千港元	千港元	千港元	千港元	千港元
Turnover	營業額						
Discontinuing operations:	擬終止經營業務：						
Construction and other contracting businesses:	建築及其他合約承包業務：						
Building construction	樓宇建築工程	1,248,557	-	1,248,557	1,191,411	-	1,191,411
Civil engineering	土木工程	234,406	-	234,406	195,893	-	195,893
Specialist works	專項工程	174,475	57,760	232,235	259,023	18,932	277,955
Construction materials	建築材料	183	30,374	30,557	2,985	44,620	47,605
		<u>1,657,621</u>	<u>88,134</u>	<u>1,745,755</u>	<u>1,649,312</u>	<u>63,552</u>	<u>1,712,864</u>
Continuing operations:	持續經營業務：						
Provision of finance	提供融資	21,792	449	22,241	19,905	400	20,305
Property leasing	物業租賃	21,210	8,549	29,759	25,046	8,533	33,579
Sale of building materials and machinery	銷售建築材料及機械	2,279	25	2,304	2,236	49	2,285
Management services	管理服務	1,457	-	1,457	1,650	-	1,650
Investment	投資	577	-	577	238	-	238
		<u>47,315</u>	<u>9,023</u>	<u>56,338</u>	<u>49,075</u>	<u>8,982</u>	<u>58,057</u>
Elimination	抵銷	-	(97,157)	(97,157)	-	(72,534)	(72,534)
		<u>1,704,936</u>	<u>-</u>	<u>1,704,936</u>	<u>1,698,387</u>	<u>-</u>	<u>1,698,387</u>

3. TURNOVER AND SEGMENTAL INFORMATION (continued)
Business segments (continued)

3. 營業額及分部資料 (續)
業務分部 (續)

		Six months ended 30th September,	
		2004 HK\$'000 截至九月三十日止六個月 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Contribution to profit from operations	經營業務所得溢利貢獻		
Discontinuing operations:	擬終止經營業務：		
Construction and other contracting businesses:	建築及其他合約承包業務：		
Building construction	樓宇建築工程	17,648	168
Civil engineering	土木工程	18,329	(8,537)
Specialist works	專項工程	10,840	(21,477)
Construction materials	建築材料	(7,909)	(14,184)
		38,908	(44,030)
Continuing operations:	持續經營業務：		
Provision of finance	提供融資	16,145	15,631
Property leasing	物業租賃	8,238	11,086
Sale of building materials and machinery	銷售建築材料及機械	92	60
Management services	管理服務	(150)	(365)
Investment	投資	(8,530)	23,751
		54,703	6,133
Release of negative goodwill	負商譽轉出	23,590	27,584
Unallocated corporate expenses	不可攤分之企業支出	(19,367)	(4,715)
		58,926	29,002
Profit from operations	經營業務所得溢利	58,926	29,002

Inter-segment sales are charged at prevailing market rate or, where no market price was available, at terms determined and agreed by both parties.

As disclosed in the circular dated 5th November, 2004, Paul Y. - ITC Construction Holdings Limited ("Paul Y. - ITC") has become an associate of the Group since 20th October, 2004 after the disposal of 77 million shares in Paul Y. - ITC by the Group. Accordingly, the Group has ceased to carry out the businesses of building construction, civil engineering, specialist works and construction materials (the "Construction and other Contracting Business") since 20th October, 2004 as these operations are solely carried out through Paul Y. - ITC.

分部間之銷售乃按主要市場水平收取，或倘並無可供採用之市場價格，則按雙方決定及同意之條款收取。

誠如日期為二零零四年十一月五日之通函所披露，於本集團出售 77,000,000 股保華德祥股份後，保華德祥建築集團有限公司（「保華德祥」）已由二零零四年十月二十日起成為本集團之聯營公司。因此，本集團由二零零四年十月二十日起再無經營樓宇建築工程、土木工程、專項工程及建築材料業務（「建築及其他合約承包業務」），因為此等業務目前僅透過保華德祥經營。



4. PROFIT FROM OPERATIONS

4. 經營業務所得溢利

		Six months ended 30th September,	
		2004 HK\$'000 截至九月三十日止六個月 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Profit from operations has been arrived at after charging:	經營業務所得溢利已扣除：		
Depreciation and amortisation of property, plant and equipment (Note)	物業、廠房及設備之折舊及攤銷(附註)	28,791	31,273
Loss on disposal of listed investments	出售上市投資之虧損	1,579	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,640	-
Unrealised holding loss on listed other investments	其他上市投資之未變現虧損	7,528	-
and after crediting:	並已計及：		
Gain on disposal of listed investments	出售上市投資之收益	-	23,088
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	2,805
Release of negative goodwill to income (included in other operating income)	負商譽轉出所得收入(列入其他經營收入)	23,590	27,584
Unrealised holding gain on listed other investments	其他上市投資之未變現收益	-	425
<i>Note:</i>	<i>附註：</i>		
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備之折舊及攤銷	29,590	32,229
Less: Amount capitalised in respect of contracts in progress	減：撥作在建合約工程資本之數額	(799)	(956)
		<u>28,791</u>	<u>31,273</u>

5. INVESTMENT EXPENSES – NET

5. 投資開支 – 淨額

		Six months ended 30th September,	
		2004 HK\$'000 截至九月三十日止六個月 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Gain (loss) on disposal of investment properties	出售投資物業之收益(虧損)	1,129	(526)
Impairment loss on investment securities	投資證券折損	(1,614)	(3,597)
		<u>(485)</u>	<u>(4,123)</u>

6. LOSS ON DILUTION OF INTERESTS IN SUBSIDIARIES AND ASSOCIATES

6. 攤薄附屬公司及聯營公司權益之虧損

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
Loss on dilution of interests in subsidiaries	攤薄附屬公司權益之虧損	-	(3,554)
Loss on dilution of interests in associates	攤薄聯營公司權益之虧損	(15,649)	(112)
Gain on dilution of interests in associates	攤薄聯營公司權益之收益	892	532
		<u>(14,757)</u>	<u>(3,134)</u>

7. TAXATION

7. 稅項

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
The charge comprises:	稅項支出包括：		
Hong Kong Profits Tax	香港利得稅		
Current period	本期間	21	-
Overprovision in previous periods	過往期間超額撥備	-	(11)
		<u>21</u>	<u>(11)</u>
Overseas taxation	海外稅項	1,177	3,322
Deferred taxation	遞延稅項	7,629	11,869
		<u>8,827</u>	<u>15,180</u>
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司應佔稅項	8,827	15,180
Share of taxation attributable to associates	攤佔聯營公司之稅項	40,045	41,511
		<u>48,872</u>	<u>56,691</u>

Hong Kong Profits Tax is calculated at the rate of 17.5% (1.4.2003 to 30.9.2003: 17.5%) of the estimated assessable profits derived from Hong Kong for the period.

For the period ended 30th September, 2003, no tax was payable on the profit for the period arising in Hong Kong since the assessable profit was wholly absorbed by tax losses brought forward.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Deferred taxation has been provided for on temporary differences arising during the period.

香港利得稅乃根據本期間源自香港之估計應課稅溢利按稅率17.5% (二零零三年四月一日至二零零三年九月三十日：17.5%) 計算。

就截至二零零三年九月三十日止期間而言，由於應課稅溢利均已由承前稅項虧損所抵銷，故毋須就於香港產生之期內溢利納稅。

海外稅項根據有關司法權區之現行稅率計算。

遞延稅項已就本期間內產生之臨時差異作出撥備。



8. DIVIDENDS

8. 股息

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
Interim dividend – 1 cent (2003: Nil) per share	中期股息 – 每股港幣1仙 (二零零三年：無)	<u>6,543</u>	<u>-</u>

The amount of the interim dividend declared for the six months ended 30th September, 2004, which will be payable in cash, has been calculated by reference to the 654,294,107 issued ordinary shares outstanding as at the date of this report.

截至二零零四年九月三十日止六個月宣佈之以現金支付之中期股息之數額，乃參照本報告刊發日期已發行普通股654,294,107股計算。

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

9. 每股盈利

每股基本及攤薄盈利乃按以下數據計算：

		Six months ended 30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
Profit for the period	期內溢利	26,271	47,641
Dividend for preference shares	優先股股息	<u>(9,245)</u>	<u>(9,245)</u>
Profit for the purposes of basic earnings per share	計算每股基本盈利 之溢利	17,026	38,396
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之效應：		
Adjustment to the share of results of subsidiaries based on dilution of their earnings per share	攤佔附屬公司業績 須按其攤薄後 每股盈利作出調整	-	(3,426)
Interest on convertible notes	可換股票據之利息	7,245	9,839
Unamortised deferred expenditure on issuance of convertible notes	發行可換股票據之 未攤銷遞延支出	<u>(333)</u>	<u>(769)</u>
Profit for the purposes of diluted earnings per share	計算每股攤薄盈利 之溢利	<u>23,938</u>	<u>44,040</u>
		Number of shares	Number of shares
		股份數目	股份數目
Weighted average number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利 之普通股加權 平均數	654,294,107	630,960,774
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之效應：		
Convertible notes	可換股票據	<u>965,000,000</u>	<u>1,308,333,333</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄 盈利之普通股 加權平均數	<u>1,619,294,107</u>	<u>1,939,294,107</u>

10. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$6,243,000 (1.4.2003 to 30.9.2003: HK\$5,311,000) on property, plant and equipment to expand and upgrade its operating capacity. The Group also disposed of investment properties and property, plant and equipment with an aggregate carrying value of approximately HK\$60,000,000 (1.4.2003 to 30.9.2003: HK\$21,804,000) and HK\$2,373,000 (1.4.2003 to 30.9.2003: HK\$9,992,000) respectively.

11. PROJECT UNDER DEVELOPMENT

During the period, the Group purchased a 54.06% interest in a development project located in the Mainland (being the People's Republic of China and, for the purpose of this report, excluding Hong Kong and Macau) through acquisition of subsidiaries as set out in note 18.

12. INTERESTS IN ASSOCIATES**10. 投資物業及物業、廠房及設備**

於本期間內，本集團動用約6,243,000港元(二零零三年四月一日至二零零三年九月三十日：5,311,000港元)購入物業、廠房及設備，以擴大及提升其經營能力。本集團亦分別出售賬面總值約60,000,000港元(二零零三年四月一日至二零零三年九月三十日：21,804,000港元)及約2,373,000港元(二零零三年四月一日至二零零三年九月三十日：9,992,000港元)之投資物業及物業、廠房及設備。

11. 發展中項目

期內，本集團透過收購附屬公司購入位於國內(即中華人民共和國(就本報告而言不包括香港及澳門))一發展項目約54.06%權益(如附註18所載)。

12. 聯營公司權益

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Share of net assets:	攤佔淨資產：		
Listed shares in Hong Kong	香港上市股份	864,367	920,360
Listed shares in overseas	海外上市股份	539,826	552,433
Unlisted shares	非上市股份	25,627	23,828
Goodwill	商譽	234,281	245,323
Negative goodwill	負商譽	(17,369)	(17,855)
		<u>1,646,732</u>	1,724,089
Amount due from an associate	應收一間聯營公司款項	26,400	26,400
		<u>1,673,132</u>	1,750,489
Market value of listed shares:	上市股份之市值：		
In Hong Kong	香港	243,012	286,319
In overseas	海外	1,375,707	1,158,296
		<u>1,618,719</u>	1,444,615

China Strategic Holdings Limited ("China Strategic"), a company listed on The Stock Exchange of Hong Kong Limited, became a principal associate of the Group on 30th September, 2003 with its financial year ended 31st December. Downer EDI Limited ("Downer"), another principal associate of the Group is listed in Australia and New Zealand with its financial year ended 30th June. Since only published financial information of China Strategic and Downer was available and used by the Group in applying the equity method, the Group's share of net assets in China Strategic and Downer at 30th September, 2004 is calculated based on their net assets at 30th June, 2004. The Group's share of results of China Strategic for the current period and of Downer for the current and prior period is calculated based on the results of China Strategic for the six months from 1st January, 2004 to 30th June, 2004 and results of Downer for the six months from 1st January, 2004 to 30th June, 2004 and from 1st January, 2003 to 30th June, 2003 respectively.

中策集團有限公司(「中策」)乃一間於香港聯合交易所有限公司上市之公司，其於二零零三年九月三十日成為本集團之主要聯營公司，財政年度結束日期為十二月三十一日。本集團另一間主要聯營公司Downer EDI Limited(「Downer」)乃一間於澳洲及新西蘭上市之公司，其財政年度結束日期為六月三十日。由於本集團於採用權益法時僅可查閱及採用中策及Downer已刊發之財務資料，因此，本集團攤佔中策及Downer於二零零四年九月三十日之權益乃分別根據此兩間公司於二零零四年六月三十日之資產淨值計算。本集團攤佔中策於本期間之業績乃根據中策於二零零四年一月一日至二零零四年六月三十日止六個月之業績計算；本集團攤佔Downer於本期間及上一期間之業績乃分別根據Downer於二零零四年一月一日至二零零四年六月三十日止六個月以及二零零三年一月一日至二零零三年六月三十日止六個月之業績計算。



13. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$490,329,000 (31st March, 2004: HK\$503,395,000) and their aged analysis at the balance sheet date is as follows:

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Trade debtors	應收貿易賬款		
0 – 30 days	0–30日	372,790	403,517
31 – 60 days	31–60日	25,285	29,584
61 – 90 days	61–90日	3,064	2,750
Over 90 days	超過90日	89,190	67,544
		<u>490,329</u>	<u>503,395</u>

Included in debtors, deposits and prepayments at 30th September, 2004 and 31st March, 2004 is an amount of approximately HK\$123,711,000 which represents the Group's share of losses arising on certain construction contracts to be recovered from an ex-shareholder of Downer under guarantees provided by the ex-shareholder. The Group has proceeded a court action against the ex-shareholder in this respect and, having taken legal advice, believes that the suit is valid and the losses together with interest and other expenses incurred can be fully recovered from the ex-shareholder.

The Group's credit terms for contracting business are negotiated with, and entered into under normal commercial terms with its trade customers. Trade debtors arising from property leasing business are payable monthly in advance and the credit terms granted by the Group to other trade debtors normally range from 30 days to 90 days.

14. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade payables of approximately HK\$348,276,000 (31st March, 2004: HK\$354,324,000) and their aged analysis at the balance sheet date is as follows:

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Trade creditors	應付貿易賬款		
0 – 30 days	0–30日	273,709	315,826
31– 60 days	31–60日	43,311	18,742
61 – 90 days	61–90日	8,231	1,476
Over 90 days	超過90日	23,025	18,280
		<u>348,276</u>	<u>354,324</u>

13. 應收賬款、訂金及預付款項

應收賬款、訂金及預付款項中包括約490,329,000港元(二零零四年三月三十一日: 503,395,000港元)之應收貿易賬款。應收貿易賬款於結算日之賬齡分析如下:

於二零零四年九月三十日及二零零四年三月三十一日之應收賬款、訂金及預付款項中包括一筆約123,711,000港元之款項,乃代表若干建築合約所產生之本集團應佔虧損,有關款項將根據Downer前股東提供之擔保而向該前股東全數收回。本集團已就此對該前股東採取法律行動,而聽取法律意見後相信此項訴訟為有理據,有關虧損連同所錄得之利息及其他開支將可以向該名前股東悉數收回。

本集團合約承包業務之信貸期乃與其貿易客戶按正常商業條款磋商及訂立。物業租賃業務之應收貿易賬款須按月預付,而本集團就其他應收貿易賬款授出之信貸期一般由30日至90日不等。

14. 應付賬款及應計開支

應付賬款及應計開支中包括約348,276,000港元(二零零四年三月三十一日: 354,324,000港元)之應付貿易賬款。應付貿易賬款於結算日之賬齡分析如下:

15. CONTINGENT LIABILITIES

15. 或然負債

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Outstanding performance bonds in respect of construction contracts	仍然有效之建築 合約履約擔保書	<u>431,143</u>	<u>623,257</u>

16. COMMITMENTS

16. 承擔

		(Unaudited) 30th September, 2004 HK\$'000 (未經審核) 二零零四年 九月三十日 千港元	(Audited) 31st March, 2004 HK\$'000 (經審核) 二零零四年 三月三十一日 千港元
Capital expenditure contracted for but not provided in the financial statements in respect of acquisition of equity investments	有關收購股權投資之 已訂約但未於 財務報表撥備 之資本支出	<u>143,071</u>	<u>450,671</u>



17. TRANSACTIONS WITH RELATED PARTIES

During the period, the Group had transactions with the following related parties, details of which are as follows:

17. 與有關連人士之交易

期內，本集團與以下有關連人士進行之交易詳情如下：

		Six months ended 30th September,	
		2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
		截至九月三十日止六個月	
Associates and jointly controlled entities:	聯營公司及共同控制機構：		
Purchase of concrete products by the Group (note a)	本集團購買混凝土 產品 (附註a)	36	70
Dividend income	股息收入	56,024	44,883
Rentals and related building management fee charged by the Group (notes b & c)	本集團收取租金及相關 物業管理費 (附註b及c)	1,581	3,068
Service fees charged by the Group (note c)	本集團收取服務費 (附註c)	449	601
Service fees charged to the Group (note c)	本集團支付服務費 (附註c)	1	-
Subcontracting fees charged to the Group (note d)	本集團支付分承包費 (附註d)	1,917	52,385
Construction works charged by the Group (note d)	本集團收取建築工程 款項 (附註d)	41,820	449
Interest income received (note e)	已收利息收入 (附註e)	11,424	10,308
Project management fee, consulting and handling fees charged by the Group (note c)	本集團收取項目管理費、 顧問及手續費 (附註c)	1,136	72
		<u>6,257</u>	<u>6,267</u>
Directors or companies controlled by directors:	董事或董事控制 之公司：		
Interest payable on convertible notes issued by the Group (note f)	本集團發行之可換股票據 之應付利息 (附註f)	6,257	6,267
Interest paid by the Group (note f)	本集團支付利息 (附註f)	-	1,651
		<u>-</u>	<u>1,651</u>
Related companies:	關連公司：		
Rentals and related building management fee charged by the Group (notes b & c)	本集團收取租金及相關 物業管理費 (附註b及c)	2,781	3,716
Interest income received (note e)	已收利息收入 (附註e)	4,796	8,448
Subcontracting fees charged by the Group (note d)	本集團收取分承包費 (附註d)	-	1,611
Purchase of medicine and health products by the Group (note a)	本集團購買醫藥 保健品 (附註a)	-	455
Service fees charged to the Group (note c)	本集團支付服務費 (附註c)	1,321	59
		<u>1,321</u>	<u>59</u>

Notes:

- (a) The transactions were carried out by reference to the prevailing market price for comparable transactions or were carried out in accordance with the negotiated parties.
- (b) Rentals were charged at the pre-agreed fixed monthly amounts.
- (c) Building management fee, service fee, project management fee, consulting and handling fees were charged at the pre-agreed rates.
- (d) Construction works and subcontracting fees were charged at market price or, where no market price was available, at terms determined and agreed by both parties.
- (e) Interest was charged at commercial rates.
- (f) Interest was charged at the best lending rate of Hong Kong Dollar quoted by The Hongkong and Shanghai Banking Corporation Limited.

The above related companies are companies in which the Group has either indirect beneficial interests or has common directors.

附註：

- (a) 該等交易乃參照同類交易當時之市價或根據磋商各方協定之價格進行。
- (b) 租金按預定之固定每月租金徵收。
- (c) 物業管理費用、服務費、項目管理費、顧問及手續費按預定費用徵收。
- (d) 建築工程及分承包費乃根據市價或(倘無市價可供參考)雙方決定及同意之條款收取。
- (e) 利息乃按商業息率收取。
- (f) 利息乃按香港上海匯豐銀行有限公司所報之港元最優惠利率收取。

以上關連公司乃本集團擁有間接實益權益或有共同董事之公司。

18. ACQUISITION OF SUBSIDIARIES

In April 2004, the Group acquired a 90.1% of the issued share capital of, and a shareholder's loan to, Global Achiever Limited for a cash consideration of approximately HK\$396,197,000. Global Achiever Limited holds indirectly a 60% interest in Jiangsu Yangtong Investment and Development Co., Ltd. which is principally engaged in a development project in the Mainland. This transaction has been accounted for using the purchase method of accounting.

The effect of the acquisition is summarised as follows:

		Six months ended	
		30th September,	
		2004	2003
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零四年	二零零三年
		千港元	千港元
Net assets acquired	購入資產淨值	<u>396,197</u>	-
Satisfied by:	支付方式：		
Cash paid	已付現金	296,197	-
Balance of consideration payable to a minority shareholder	應向少數股東支付之代價餘額	<u>100,000</u>	-
		<u>396,197</u>	-
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：		
Cash paid	已付現金	296,197	-
Bank balances and cash acquired	收購之銀行結存及現金	<u>(2,413)</u>	-
		<u>293,784</u>	-

The subsidiaries acquired during the period contributed to cash outflow of approximately HK\$17,177,000 and HK\$18,850,000 in respect of investing and financing activities respectively, and did not make any significant contribution to the results of the Group.

19. DISCONTINUING OPERATIONS

On 18th August, 2004, the Company announced that the Group intended to place out sufficient shares in Paul Y. - ITC, so that on completion of the placement Paul Y. - ITC will become an associate of the Company. Subsequently, on 20th October, 2004, the Company disposed of 77 million shares in Paul Y. - ITC pursuant to the mandate approved by the ordinary shareholders of the Company on 6th October, 2004. Following the disposal on 20th October, 2004 and the receipt of scrip shares from Paul Y. - ITC on 29th October, 2004, the Group's interest was decreased from 55.06% as at 30th September, 2004 to 49.58% as at the date of this report and Paul Y. - ITC has become an associate of the Group with effect from 20th October, 2004. Accordingly, the Group has ceased to carry out the Construction and Other Contracting Business since 20th October, 2004 as these operations are solely carried out through Paul Y. - ITC.

18. 收購附屬公司

於二零零四年四月，本集團以現金代價約396,197,000港元收購Global Achiever Limited之90.1%已發行股本及股東貸款。Global Achiever Limited間接持有主要業務為在國內一項發展項目之江蘇洋通開發投資有限公司之60%權益。此項交易已經以收購會計法入賬。

是項收購之影響概述如下：

期內收購之附屬公司分別帶來投資及融資活動之現金流出約17,177,000港元及18,850,000港元，其對本集團業績並無任何重大貢獻。

19. 擬終止經營業務

於二零零四年八月十八日，本公司宣佈本集團計劃配售足夠數目之保華德祥股份以使到於配售完成後，保華德祥將成為本公司之聯營公司。於二零零四年十月二十日，本公司根據本公司普通股股東於二零零四年十月六日批准之授權出售77,000,000股保華德祥股份。緊隨於二零零四年十月二十日之出售事項以及於二零零四年十月二十九日收到保華德祥發行之代息股份後，本集團持有之保華德祥權益由二零零四年九月三十日之55.06%減至於本報告刊發日期之49.58%，而保華德祥亦由二零零四年十月二十日起成為本集團之聯營公司。因此，本集團由二零零四年十月二十日起不再經營建築及其他合約承包業務，原因為有關業務目前僅透過保華德祥經營。



20. POST BALANCE SHEET EVENTS

- (a) On 19th October, 2004, Paul Y. - ITC acquired a property development company, Yetwide Investments Limited ("Yetwide"), at a consideration of HK\$31,000,000, which was funded by internal resources of Paul Y. - ITC. Yetwide is principally engaged in a property development project in the Mainland.
- (b) On 20th October, 2004, the Company disposed of 77 million shares in Paul Y. - ITC and the Company's interest in Paul Y. - ITC decreased from 55.06% as at 30th September, 2004 to 49.33%, which was subsequently increased to 49.58% as at the date of this report upon scrip issue of Paul Y. - ITC. Paul Y. - ITC has become an associate of the Group with effect from 20th October, 2004.
- (c) On 20th October, 2004, a wholly-owned subsidiary of the Company entered into a provisional sale and purchase agreement for the acquisition of an office premises and 4 carparking spaces at Bank of America Tower at a consideration of HK\$102,018,000. The premises will be used as a downtown office for convenience and smooth operation of the Group. The acquisition is expected to be completed in late December 2004.
- (d) As mentioned in the circular of the Company dated 21st September, 2004, the Board seek approval for the conversion of the existing convertible preference shares into redeemable convertible preference shares and to vary a number of the terms of the existing convertible preference shares. Upon the approval by the shareholders on 13th October, 2004, the conversion has been effective from 3rd November, 2004.
- (e) Subsequent to the period end, the Paul Y. - ITC group has disposed of its entire shareholding in Downer:
- In November 2004, pursuant to the incentive option agreement entered into with Paul Y. - ITC in April 2003, a company controlled by certain executives of Downer has purchased from the Paul Y. - ITC group 5.5 million shares in Downer at A\$2.2 each, in aggregate amounting to approximately A\$12.1 million (approximately HK\$72.6 million); and
 - In December 2004, the Paul Y. - ITC group has disposed of the remaining approximately 56.2 million shares in Downer at a price of A\$4.55 each to independent third parties. The gross sale proceeds arising from the disposal amount to approximately A\$255.8 million (approximately HK\$1,504 million).

20. 結算日後事項

- (a) 於二零零四年十月十九日，保華德祥以31,000,000港元之代價收購益廣投資有限公司（「益廣」）。益廣為物業發展公司，主要從事一個位於國內之物業發展項目。是項收購之代價以保華德祥之內部資源撥付。
- (b) 於二零零四年十月二十日，本公司出售77,000,000股保華德祥股份。本集團持有之保華德祥權益由二零零四年九月三十日之55.06%減至49.33%，而於其後收取保華德祥發行之代息股份後則增至於本報告刊發日期之49.58%，而保華德祥亦由二零零四年十月二十日起成為本集團之聯營公司。
- (c) 於二零零四年十月二十日，本公司一間全資附屬公司訂立臨時買賣協議以收購美國銀行中心內一處辦公室物業及四個泊車位，作價102,018,000港元。有關物業將用作本集團位於市中心樞紐位置之辦事處，令本集團能更順暢地經營業務。預期是項收購將於二零零四年十二月底完成。
- (d) 誠如本公司於二零零四年九月二十一日刊發之通函所述，董事局徵求股東批准將現有可換股優先股轉換成可贖回可換股優先股以及修訂現有可換股優先股之若干條款。自股東於二零零四年十月十三日批准後，有關轉換已由二零零四年十一月三日起生效。
- (e) 於本期間之結算日之後，保華德祥集團已出售其於Downer之全部股權，詳情如下：
- 於二零零四年十一月，根據與保華德祥於二零零三年四月訂立之獎勵選擇權協議，Downer若干行政人員控制之一間公司已按每股Downer股份2.2澳元向保華德祥集團購入5,500,000股Downer股份，總作價約為12,100,000澳元（約為72,600,000港元）；及
 - 於二零零四年十二月，保華德祥集團以每股4.55澳元將其餘約56,200,000股Downer股份出售予獨立第三方。出售產生之款項約為255,800,000澳元（約為1,504,000,000港元）。



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