The directors of Ming Pao Enterprise Corporation Limited ("the Company") announce that the unaudited consolidated results of the Company and its subsidiaries ("the Group") for the six months ended 30th September 2002 are as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

		(Unaudited) Six months ended 30th September	
		2002	2001 As restated
	Notes	**HK$'000**	HK$'000
Turnover	*2*	**609,724**	573,323
Cost of sales		**(451,292)**	(438,024)
Gross profit		**158,432**	135,299
Other income		**2,234**	6,136
Selling and distribution expenses		**(77,213)**	(79,119)
Administrative expenses		**(51,224)**	(61,641)
Other operating expenses		**(5,536)**	(3,320)
Operating profit/(loss)	*3*	**26,693**	(2,645)
Finance costs		**(1,363)**	(4,490)
Share of losses of associated companies		**(4,030)**	(4,236)
Profit/(loss) before taxation		**21,300**	(11,371)
Taxation	*4*	**(3,718)**	(3,497)
Profit/(loss) after taxation		**17,582**	(14,868)
Minority interests		**786**	1,626
Profit/(loss) attributable to shareholders		**18,368**	(13,242)
Dividends	*5*	**(7,847)**	(39,235)
Basic earnings/(loss) per share	*6*	**4.7 cents**	(3.4 cents)

CONSOLIDATED BALANCE SHEET

	Notes	(Unaudited) 30th September 2002 HK$'000	31st March 2002 As restated HK$'000
Fixed assets		**361,739**	375,026
Interests in associated companies		**17,348**	12,893
Defined benefit plan's assets		**18,389**	17,140
Current assets			
Inventories		**54,767**	56,160
Other trading investments		**1,728**	2,860
Accounts receivable, deposits and prepayments	*7*	**176,818**	165,119
Tax recoverable		**110**	1,329
Bank balances and cash		**158,643**	160,535
		392,066	386,003
Current liabilities			
Accounts payable and accrued charges	*8*	**121,204**	103,318
Tax payable		**4,513**	3,134
Short-term bank loans and overdrafts - secured		**40,349**	70,922
Current portion of long-term liabilities	*9*	**3,177**	3,137
		169,243	180,511
Net current assets		**222,823**	205,492
		620,299	610,551
Financed by:			
Share capital	*10*	**39,234**	39,234
Reserves		**564,510**	552,430
Shareholders' funds		**603,744**	591,664
Minority interests		**8,128**	8,914
Long-term liabilities	*9*	**8,427**	9,973
		620,299	610,551

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2002

(Unaudited)

	Share capital HK$'000	Share premium account HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Exchange fluctuation reserve HK$'000	Difference arising on consolid-ation HK$'000	Reserve arising on consolid-ation HK$'000	Accumul-ated losses HK$'000	Total HK$'000
At 1st April 2002, as previously reported	39,234	589,765	145,096	356	(238)	(22,400)	1,878	(179,167)	574,524
Effect of adopting SSAP 34 *(note 1(c))*	–	–	–	–	–	–	–	17,140	17,140
At 1st April 2002, as restated	39,234	589,765	145,096	356	(238)	(22,400)	1,878	(162,027)	591,664
Profit attributable to shareholders	–	–	–	–	–	–	–	18,368	18,368
Release of goodwill	–	–	–	–	–	–	1,669	–	1,669
Exchange adjustment	–	–	–	–	(110)	–	–	–	(110)
2002 final dividend paid	–	–	–	–	–	–	–	(7,847)	(7,847)
At 30th September 2002	39,234	589,765	145,096	356	(348)	(22,400)	3,547	(151,506)	603,744
At 1st April 2001, as previously reported	39,234	589,765	145,096	356	(86)	(22,400)	1,878	(123,427)	630,416
Effect of adopting SSAP 34 *(note 1(c))*	–	–	–	–	–	–	–	15,641	15,641
At 1st April 2001, as restated	39,234	589,765	145,096	356	(86)	(22,400)	1,878	(107,786)	646,057
Loss attributable to shareholders, as previously reported	–	–	–	–	–	–	–	(13,992)	(13,992)
Effect of adopting SSAP 34 *(note 1(c))*	–	–	–	–	–	–	–	750	750
Exchange adjustment	–	–	–	–	(133)	–	–	–	(133)
2001 special dividend paid	–	–	–	–	–	–	–	(31,388)	(31,388)
2001 final dividend paid	–	–	–	–	–	–	–	(11,770)	(11,770)
At 30th September 2001	39,234	589,765	145,096	356	(219)	(22,400)	1,878	(164,186)	589,524

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) Six months ended 30th September	
	2002	2001 As restated
	HK$'000	HK$'000
Net cash inflow from operating activities	**49,411**	10,071
Net cash outflow from investing activities	**(10,760)**	(4,656)
Net cash outflow from financing activities	**(11,724)**	(74,236)
Increase/(decrease) in cash and cash equivalents	**26,927**	(68,821)
Cash and cash equivalents at the beginning of the period	**119,607**	229,078
Effect of foreign exchange rate changes	**(259)**	(315)
Cash and cash equivalents at the end of the period	**146,275**	159,942
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	**158,643**	225,758
Bank loans repayable within three months and overdrafts	**(12,368)**	(65,816)
	146,275	159,942

NOTES TO THE ACCOUNTS

1. Basis of preparation and accounting policies

These unaudited interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, "Interim Financial Reporting", issued by the Hong Kong Society of Accountants ("HKSA"), and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

These interim accounts should be read in conjunction with the annual financial statements for the year ended 31st March 2002.

The accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the annual accounts for the year ended 31st March 2002 except that the Group has adopted the following SSAPs issued by the HKSA which became effective for accounting periods commencing on or after 1st January 2002:

SSAP 1 (revised):	Presentation of financial statements
SSAP 15 (revised):	Cash flow statements
SSAP 25 (revised):	Interim financial reporting
SSAP 34:	Employee benefits

The changes to the Group's accounting policies and the effects of adopting these new standards are set out below.

(a) SSAP 1 (revised) and SSAP 25 (revised)

In accordance with SSAP 1 (revised) and SSAP 25 (revised), the Group adopts the new statement, "Consolidated Statement of Changes in Equity" which replaces the "Consolidated Statement of Recognised Gains and Losses".

(b) SSAP 15 (revised)

In accordance with SSAP 15 (revised), the cash flow statement has been reclassified by operating, investing and financing activities.

(c) SSAP 34

The Group operates a hybrid retirement benefit scheme (the "Scheme") for staff who joined the Group before 1st December 2000. Employees who joined the Scheme on or before 1st July 1990 are under a defined benefit plan. Other employees in the Scheme are under a defined contribution plan.

The assets of both plans are held separately from those of the Group in an independently administered fund.

1. Basis of preparation and accounting policies *(Continued)*

(c) SSAP 34 (Continued)

According to SSAP 34, retirement benefit costs of the defined benefit plan are assessed using the projected unit credit method. Under this method, the cost of providing retirement benefits is charged to the profit and loss account so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out annual valuation of the plan. The retirement benefit obligations are measured as the present value of the estimated future cash outflows by reference to market yields on high quality corporate bonds which have similar terms as the related liabilities. The plan's assets are measured at fair value. The difference between the retirement benefit obligations and the plan's assets is recognised as a liability or an asset in the Group's balance sheet. The excess of the plan's assets over the retirement benefit obligations, if recognised, has to be restricted to the present value of economic benefits currently available to the Group, as required by SSAP 34. Actuarial gains and losses are recognised over the average remaining service lives of employees.

This is considered a change in accounting policy as in previous years retirement benefit costs of the defined benefit plan were charged to the profit and loss account as incurred, based on actuarial determinations of contributions payable in that year, using the attained age method. On adoption of SSAP 34, actuarial valuations were conducted by an independent professional qualified actuary to ascertain the Scheme's position in respect of the defined benefit plan as at 1st April 2002 according to the requirements of the SSAP. The result of the valuation indicated that the fair value of the Scheme's assets exceeded the present value of the retirement benefit obligations by HK$17,140,000 on 1st April 2002. The effect of this change has been accounted for as a prior period adjustment. As a result, the accumulated losses at 31st March 2002 has been reduced by HK$17,140,000, and the loss after taxation for the six months ended 30th September 2001 has been reduced by HK$750,000.

The Group's contributions to the defined contribution plan are expensed as incurred. When the contributions do not fall due wholly within twelve months after the end of the period in which the employees render the related services, the contributions are discounted using a discount rate determined by reference to market yields at the balance sheet date on high quality investments.

During the six months ended 30th September 2002, total expenses charged to the profit and loss account in respect of the Scheme amounted to HK$1,368,000 (2001: HK$2,075,000).

1. Basis of preparation and accounting policies *(Continued)*

(c) SSAP 34 (Continued)

With effect from 1st December 2000, all new employees of the Group are eligible to join a mandatory provident fund scheme ("MPF Scheme"). The MPF Scheme is classified as a defined contribution plan in accordance with SSAP 34. The Group's contributions to the MPF Scheme are charged to the profit and loss account in the period to which the contributions relate. The contributions to the MPF Scheme are fully and immediately vested in the employees as accrued benefit once they are paid.

2. Segment information

Business segments

The Group is organised on a worldwide basis into three main business segments:

Publishing – publication of Chinese newspapers, periodicals and books
Travel and travel related services – provision of travel and travel related services
Internet businesses – advertising, provision of contents and travel related services through the Group's various portals

Segment information about these businesses is presented below:

	(Unaudited) Six months ended 30th September							
	Publishing		Travel and travel related services		Internet businesses		Group	
	2002	2001 As restated	**2002**	2001 As restated	**2002**	2001 As restated	**2002**	2001 As restated
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Turnover								
– External sales	**345,501**	350,666	**254,372**	190,921	**9,851**	31,736	**609,724**	573,323
– Inter-segment sales	**–**	–	**4,239**	19,199	**–**	–	**4,239**	19,199
	345,501	350,666	**258,611**	210,120	**9,851**	31,736	**613,963**	592,522
Elimination	**–**	–	**(4,239)**	(19,199)	**–**	–	**(4,239)**	(19,199)
	345,501	350,666	**254,372**	190,921	**9,851**	31,736	**609,724**	573,323
Segment results	**30,317**	5,658	**2,501**	2,650	**(7,266)**	(15,452)	**25,552**	(7,144)
Interest income							**1,615**	5,234
Unallocated corporate expenses							**(474)**	(735)
Operating profit/(loss)							**26,693**	(2,645)

2. Segment information *(Continued)*

Geographical segments

The Group's three main business segments operate in four main geographical areas:

Hong Kong – publishing, travel and travel related services and internet businesses
Canada – publishing, travel and travel related services
The United States of Amercia – publishing, travel and travel related services
The Mainland China – publishing

	(Unaudited) Turnover Six months ended 30th September		(Unaudited) Segment results Six months ended 30th September	
	2002	2001	**2002**	2001 As restated
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**382,424**	392,576	**25,202**	395
Canada	**131,503**	116,545	**7,445**	1,614
The United States of America	**89,099**	52,699	**(4,932)**	(7,353)
The Mainland China	**6,698**	11,503	**(2,163)**	(1,800)
	609,724	573,323	**25,552**	(7,144)
Interest income			**1,615**	5,234
Unallocated corporate expenses			**(474)**	(735)
Operating profit/(loss)			**26,693**	(2,645)

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging the following:

	(Unaudited) Six months ended 30th September 2002 HK$'000	2001 As restated HK$'000
Cost of inventories sold	**69,261**	92,429
Depreciation		
– owned fixed assets	**16,993**	17,618
– leased fixed assets	**372**	238
Staff costs including directors' emoluments *(note)*	**147,079**	168,086

Note: Included in the staff costs are pension costs in respect of the hybrid retirement benefit scheme of HK$175,000 pension cost credit and HK$1,543,000 pension cost for defined benefit and defined contribution members respectively (2001: HK$171,000 pension cost credit and HK$2,246,000 pension cost respectively), and the MPF Scheme of HK$1,567,000 (2001: HK$1,626,000).

4. Taxation

The amount of taxation charge in the consolidated profit and loss account represents:

	(Unaudited) Six months ended 30th September 2002 HK$'000	2001 HK$'000
Hong Kong profits tax		
– current period	**2,525**	2,268
– under provision in prior years	**–**	1,229
Overseas taxation		
– current period	**1,193**	–
	3,718	3,497

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits of the companies within the Group operating in Hong Kong during the period.

Overseas taxation is provided at the relevant tax rates on the estimated assessable profits of the companies within the Group operating overseas during the period.

5. Dividends

	(Unaudited) Six months ended 30th September	
	2002	2001
		As restated
	HK$'000	HK$'000
Special, paid, of Nil (2001: HK8 cents) per ordinary share	**–**	31,388
Interim, proposed, of HK2 cents (2001: HK2 cents) per ordinary share *(note)*	**7,847**	7,847
	7,847	39,235

Note: At a meeting held on 5th July 2002, the directors proposed a final dividend of HK2 cents per ordinary share for the year ended 31st March 2002, which was paid on 12th September 2002 and has been reflected as an appropriation of reserves for the six months ended 30th September 2002.

At a meeting held on 6th December 2002, the directors declared an interim dividend of HK2 cents per ordinary share for the year ending 31st March 2003. This proposed interim dividend is not reflected as a dividend payable in these interim accounts, but will be reflected in the annual accounts for the year ending 31st March 2003.

6. Earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the Group's unaudited profit attributable to shareholders for the period of HK$18,368,000 (2001: loss attributable to shareholders of HK$13,242,000, as restated) and the weighted average of 392,345,000 shares (2001: 392,345,000 shares) in issue during the period.

No diluted earnings/(loss) per share is presented as the exercise of the outstanding share options of the Company would have an anti-dilutive effect for both of the periods ended 30th September 2002 and 2001.

7. Accounts receivable, deposits and prepayments

Included in accounts receivable, deposits and prepayments are trade receivables and their ageing analysis is as follows:

	(Unaudited) 30th September 2002 HK$'000	(Audited) 31st March 2002 HK$'000
0 to 60 days	**91,713**	79,019
61 to 120 days	**38,694**	41,070
121 to 180 days	**11,721**	11,835
Over 180 days	**2,710**	4,558
	144,838	136,482

The Group allows in general a credit period of up to 90 days to its trade customers.

8. Accounts payable and accrued charges

Included in accounts payable and accrued charges are trade payables and their ageing analysis is as follows:

	(Unaudited) 30th September 2002 HK$'000	(Audited) 31st March 2002 HK$'000
0 to 60 days	**55,640**	49,671
61 to 120 days	**5,642**	3,175
121 to 180 days	**668**	1,378
Over 180 days	**253**	517
	62,203	54,741

9. Long-term liabilities

	(Unaudited) 30th September 2002 HK$'000	(Audited) 31st March 2002 HK$'000
Bank loans - secured		
Not wholly repayable within five years	**4,602**	4,782
Obligations under finance leases		
Wholly repayable within five years	**7,002**	8,328
	11,604	13,110
Current portion of long-term liabilities	**(3,177)**	(3,137)
	8,427	9,973

At 30th September 2002, the Group's bank loans and overdrafts (including trust receipts loans) and finance lease liabilities were repayable as follows:

	Bank loans and overdrafts		Finance lease liabilities *(note)*	
	(Unaudited) 30th September 2002 HK$'000	(Audited) 31st March 2002 HK$'000	(Unaudited) 30th September 2002 HK$'000	(Audited) 31st March 2002 HK$'000
Within one year	**40,769**	71,339	**2,757**	2,720
In the second year	**420**	417	**1,920**	2,784
In the third to fifth year	**1,260**	1,252	**2,325**	2,824
After the fifth year	**2,502**	2,696	**–**	–
	44,951	75,704	**7,002**	8,328

Note: At 30th September 2002, future finance charges on finance lease liabilities are HK$750,000 (31st March 2002: HK$972,000).

10. Share capital

	Authorised ordinary shares of HK$0.10 each	
	No. of shares	HK$'000
At 1st April and 30th September 2002	500,000,000	50,000

	Issued and fully paid ordinary shares of HK$0.10 each	
	No. of shares	HK$'000
At 1st April and 30th September 2002	392,345,000	39,234

11. Subsequent event

On 25th October 2002, an indirect subsidiary of the Group repurchased 77,980 of its fully paid shares from a minority shareholder at a consideration of HK$10,000,000, of which HK$7,000,000 will be satisfied by cash and HK$3,000,000 will be satisfied by provision of advertising services which will be rendered by the Group within three years. After the transaction, the effective interest of the Group in that indirect subsidiary increased from 88.2% to 97.78%.

12. Comparative figures

Due to the adoption of the new and revised SSAPs during the current period, certain comparative figures have been restated to conform with the current period's presentation.

MANAGEMENT COMMENTARY

Results summary

The consolidated turnover of the Group for the first half of the financial year 2002-2003 rose to HK$609,724,000 from HK$573,323,000 in the same period last year, representing an increase of more than 6%. Profit attributable to shareholders for the period was HK$18,368,000, compared with a loss of HK$13,242,000 for the corresponding period last year.

Business review

Newspapers

During the period under review, Ming Pao Daily News has made good progress towards implementing a number of initiatives despite the challenging economic environment. These included revamping the layout of the entire newspaper, publishing a number of special supplements covering a wide variety of themes and topics, promoting innovative and competitive advertising plans for corporate customers and introducing aggressive reader subscription campaigns. In addition to a well-accepted new look, the contents of the Daily have also been enriched with several new columns and features. Strengthening and enhancing the content of the Education Section have consolidated the Daily's presence in the tertiary education circles. As a result of the various concerted efforts and strategic measures, the Daily's advertising revenue recorded a 7% year-on-year growth in the first half year of 2002-2003. The Daily's average daily circulation also registered a steady growth during the period and has exceeded 100,000 copies as stated in the latest audited figures provided by the Hong Kong Audit Bureau of Circulations. The hard-earned growth in revenue, combined with a reduction in newsprint costs, has resulted in a marked improvement in the Daily's operating results for the period.

The Daily's overseas editions in Toronto, Vancouver and New York suffered significant drop in revenues last year due to the weak market sentiments even before the September 11 Incident. However, with the increased retailing activities in both Canada and the US since early 2002, the business performance of these overseas editions improved satisfactorily. The advertising revenues of the Canadian and US editions rose by 7% and 10% respectively over those in the same period last year. Coupled with stringent cost controls and savings from lowered newsprint price, the Toronto and Vancouver editions recorded a more than six-fold growth on their combined contributions, an overwhelming result over that of last year's. The operating loss of the New York edition was also reduced by more than one third to a budgeted level.

Magazines and books

In the first six months of the financial year 2002-2003, the overall economy of Hong Kong, in particular the retailing industry, continued to show signs of weakness caused primarily by wanning consumer confidence and rising unemployment. Most advertisers tightened their marketing budgets and postponed their promotional campaigns to the second half year, hoping that the economy is recovering then. The overall advertising expenditure in the first half year was visibly reduced and this has an adverse effect on the Group's magazines businesses. The Group's magazines, including Ming Pao Weekly, Ming Pao Monthly, HI-TECH WEEKLY and City Children's Weekly, reported a decrease in their combined turnover of about 15% as compared with that of the same period last year, while their combined operating profit fell by about 11%.

Ming Pao Publications, the Group's books publishing business, on the other hand, recorded a 19% increase in its turnover during the period and an improvement in its contribution for the Group. Apart from the publication of a number of high quality books, this favourable result is achieved by aggressive promotions through different marketing channels and securing competitive prices from the printers.

Travel

In addition to the continuing poor economic environment, the concerns about travelling security in the wake of the September 11 Incident, the Bali bombings and the continual threat of an America-Iraq war, have seriously undermined people's desire to travel. Faced with such a difficult operating environment, Charming Holidays, the Group's travel services operator in Hong Kong, has diversified into operating overseas student tours and developing the lucrative China market, in addition to providing traditional long haul routes packages. With these strategic moves, Charming managed to achieve a turnover that matched up with that of last year. Its operating result for the period has also been improved due to the application of stringent cost control measures. The Group's travel operator in North America, the Delta Group, continued to develop its profitable ticketing and outbound travel businesses during the period. Delta's operations in the US and Canada recorded increases in turnover of 102% and 22% respectively, an encouraging result in view of the current economic situation.

Internet business

The Group's electronic multi-media division, Mingpao.com, continues to provide timely and high quality news and information through various portals to its Internet users. During the period under review, Mingpao.com has been able to achieve a 9% growth in its content providing income over that of last year. In addition, the increasing acceptance of standards to measure online advertising's effectiveness helped Mingpao.com to maintain a steady stream of online advertising revenue. The weak consumer sentiment in Hong Kong, however, caused a significant drop in business for Charming Online Travel, the Group's online tour operator.

In furtherance of a major operational restructure and a trimming down of headcount in October last year, continuous measures have been taken during the period, including effective allocation of shared resources, which helped to contain the Internet division's operating loss well below the budgeted level. It is expected that Mingpao.com will achieve operational break-even in the second half year.

Capital expenditure

The Group's total capital expenditure for fixed assets for the period ended 30th September 2002 amounted to HK$3,905,000. After the balance sheet date, an indirect subsidiary of the Group purchased certain printing machines at a consideration of HK$6,000,000.

Financial position

The Group continues to maintain a healthy financial status. As at 30th September 2002, the Group's shareholders' funds amounted to HK$603,744,000 (31st March 2002: HK$591,664,000, as restated), its long-term liabilities were HK$8,427,000 (31st March 2002: HK$9,973,000) and the gearing ratio was 1.40% (31st March 2002: 1.69%, as restated).

The Group also maintains ample liquidity to satisfy its funding requirements, as at 30th September 2002, the Group held cash deposits of HK$158,643,000 (31st March 2002: HK$160,535,000) whilst total outstanding bank borrowings amounted to HK$51,953,000 (31st March 2002: HK$84,032,000).

Outlook

The first half of the financial year 2002-2003 has been difficult for media companies in Hong Kong, as the economy has not shown any signs of improvement. Local unemployment rate is still at a high level and retailing activities remain weak. This situation leads to the scaling down of advertising budgets in a wide spectrum of business sectors, which in turn has an adverse effect on the Group's businesses. Despite this difficult and challenging operating environment, the Group will continue to look for ways to broaden its revenue base while at the same time effective measures are taken to control costs and to increase the various publications' operating efficiency.

With the latest economic stimulus packages introduced by the local government, targeting at reviving the local property and consumer markets, the Group is optimistic that the economy in Hong Kong will gradually improve and that the media market should pick up consequently.

To leverage on the improving economies in Canada and the US, the Group will continue to exert efforts in the next half year to further develop its publishing and travel businesses in these overseas markets.

SHARE OPTION SCHEME

Pursuant to a Share Option Scheme ("the Scheme") approved at a Special General Meeting of the Company held on 21st August 2001, the directors of the Company may at their discretion invite full time employees including executive directors of the Company and its subsidiaries to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

Movements of the share options granted during the period under the Scheme are as follows:

	Number of shares involved in share options						
Grantees	Balance at 1st April 2002	Granted during the period	Exercised during the period	Balance at 30th September 2002	Exercise price per share HK$	Date of grant	Exercisable period
Directors:							
Tan Sri Datuk TIONG Hiew King	300,000	–	–	300,000	1.592	31/08/2001	01/09/2001-20/08/2011
Mr TIONG Kiu King	300,000	–	–	300,000	1.592	31/08/2001	01/09/2001-20/08/2011
Dr TIONG Ik King	300,000	–	–	300,000	1.592	31/08/2001	01/09/2001-20/08/2011
Mr TIONG Kiew Chiong	300,000	–	–	300,000	1.592	31/08/2001	01/09/2001-20/08/2011
	1,200,000	–	–	1,200,000			
Full time employees	4,275,000	–	–	4,275,000	1.592	31/08/2001	01/09/2001-20/08/2011
Total	5,475,000	–	–	5,475,000			

PARTICULARS OF SHARES HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

At 30th September 2002, the interests of the directors, chief executives and their associates in the ordinary shares of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") are as follows:

	Number of shares held			
Name of director	**Personal interests**	**Family interests**	**Corporate interests**	**Total interests**
Tan Sri Datuk TIONG Hiew King	150,000	–	252,487,700 *(note)*	252,637,700
Dr TIONG Ik King	–	–	252,487,700 *(note)*	252,487,700
Mr TIONG Kiu King	611,000	147,000	–	758,000
Mr TIONG Kiew Chiong	1,200,000	–	–	1,200,000

Note: The corporate interests of Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King in the Company was jointly held through Conch Company Limited ("Conch") which holds 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King. In addition, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

Save as disclosed above and those disclosed under "Share Option Scheme", none of the directors, chief executives and their associates had any beneficial or non-beneficial interests in the share capital of the Company, any of its subsidiaries or its associated corporations at 30th September 2002 which is required to be disclosed pursuant to the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

The register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that at 30th September 2002, the Company had been notified of the following interests by shareholders in shares representing 10% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares
Conch Company Limited	252,487,700
China Strategic Holdings Limited	39,248,000

Save as disclosed above, the Company had not been notified of any other interests representing 10% or more of the issued share capital of the Company at 30th September 2002.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Monday, 23rd December 2002, to Friday, 27th December 2002, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend of HK2 cents per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong for registration no later than 4:00 p.m. on Friday, 20th December 2002. The interim dividend will be paid on Wednesday, 8th January 2003.

EMPLOYEES

As at 30th September 2002, the Group has approximately 1,360 employees, the majority of whom are employed in Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The Group also adopts a share option scheme for its staff of senior grade.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

None of the directors of the Company is aware of any information which would indicate that the Group is not, or was not, at any time during the six months ended 30th September 2002 in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited, except that independent non-executive directors were not appointed for a specific term as recommended therein. According to the Company's bye-law 182(iv), directors, including independent non-executive directors, shall retire by rotation at the annual general meeting and, being eligible, offer themselves for re-election where their re-appointments are reviewed. In the opinion of the directors, this meets the same objective of the Code of Best Practice.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30th September 2002 with the directors.

By Order of the Board
TIONG Kiew Chiong
Director

Hong Kong, 6th December 2002