



# MOISELLE

INTERIM REPORT 2003/2004

**MOISELLE INTERNATIONAL HOLDINGS LIMITED**

**慕詩國際集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

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**CORPORATE INFORMATION****BOARD OF DIRECTORS****Executive**

Mr. CHAN Yum Kit (*Chairman*)

Ms. TSUI How Kiu, Shirley

Mr. CHUI Hing Yee

Mr. CHAN Sze Chun

**Independent Non-Executive**

Ms. YU Yuk Ying, Vivian

Mr. CHU Chun Kit, Sidney

**AUDIT COMMITTEE**

Ms. YU Yuk Ying, Vivian

Mr. CHU Chun Kit, Sidney

**COMPANY SECRETARY**

Ms. PANG Lin

**REGISTERED OFFICE**

Century Yard, Cricket Square  
Hutchins Drive, P.O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

**HEAD OFFICE AND PRINCIPAL PLACE  
OF BUSINESS**

Units 3-6, 11th Floor  
Kodak House 2  
39 Healthy Street East  
North Point  
Hong Kong

**PRINCIPAL SHARE REGISTRAR AND  
TRANSFER OFFICE**

Bank of Bermuda (Cayman) Limited  
36C Bermuda House  
British American Centre  
Dr. Roy's Drive  
P. O. Box 513GT  
Grand Cayman  
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR  
AND TRANSFER OFFICE**

Hong Kong Registrars Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

The Company's shares are listed on The  
Stock Exchange of Hong Kong Limited

– Stock code: 130

**AUDITORS**

KPMG

**WEBSITE**

<http://www.moiselle.com.hk>

**KEY DATES**

Closure of Register of Members:  
13 January 2004 to 15 January 2004  
Interim Dividend Payment:  
20 January 2004

**UNAUDITED INTERIM RESULTS**

The board of directors of Moiseille International Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2003. The audit committee of the board, comprising of all the independent non-executive directors of the Company, has met to review the results and the financial statements of the Group for the six months ended 30 September 2003 prior to recommending them to the board for approval.

**CONSOLIDATED INCOME STATEMENT**

<i>(in HK\$'000)</i>	<i>Note</i>	<b>Six months ended 30 September</b>	
		<b>2003 (Unaudited)</b>	2002 (Unaudited)
<b>Turnover</b>		<b>91,188</b>	98,485
Cost of sales		<b>(23,895)</b>	(21,857)
		<b>67,293</b>	76,628
Other revenue		<b>674</b>	991
Other net income/(expenses)		<b>17</b>	(24)
Selling and distribution costs		<b>(42,466)</b>	(44,516)
Administrative and other operating expenses		<b>(15,742)</b>	(15,121)
Profit from operations		<b>9,776</b>	17,958
Finance costs		<b>(555)</b>	(880)
<b>Profit from ordinary activities before taxation</b>		<b>9,221</b>	17,078
Taxation	2 3	<b>519</b>	(1,262)
<b>Profit attributable to shareholders</b>		<b>9,740</b>	15,816
<b>Dividends</b>	4		
2002/03 final		<b>5,610</b>	8,415
2003/04 interim		<b>2,805</b>	2,805
<b>Earnings per share</b>	5		
Basic		<b>HK3.47 cents</b>	HK5.64 cents
Diluted		<b>HK3.47 cents</b>	HK5.63 cents

The notes on pages 7 to 10 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**

<i>(in HK\$'000)</i>	Note	<b>As at 30 September 2003 (Unaudited)</b>	As at 31 March 2003 (Audited) restated
<b>Non-current assets</b>			
Fixed assets			
– Investment properties		<b>6,880</b>	6,880
– Other property, plant and equipment		<b>67,710</b>	64,823
		<b>74,590</b>	71,703
Deferred tax assets		<b>3,129</b>	2,311
		<b>77,719</b>	74,014
<b>Current assets</b>			
Inventories		<b>26,897</b>	26,677
Trade and other receivables	7	<b>30,282</b>	34,797
Tax recoverable		<b>3,045</b>	1,549
Cash and cash equivalents		<b>69,756</b>	61,846
		<b>129,980</b>	124,869
<b>Current liabilities</b>			
Trade and other payables	8	<b>21,230</b>	16,750
Bank loans and overdrafts		<b>3,080</b>	2,158
Obligations under finance leases		<b>80</b>	308
Tax payable		<b>730</b>	225
		<b>25,120</b>	19,441
<b>Net current assets</b>		<b>104,860</b>	105,428
<b>Total assets less current liabilities</b>		<b>182,579</b>	179,442
<b>Non-current liabilities</b>			
Interest-bearing borrowings		<b>26,931</b>	27,980
Deferred taxation		<b>1,589</b>	1,533
		<b>28,520</b>	29,513
<b>Net assets</b>		<b>154,059</b>	149,929
<b>Capital and reserves</b>			
<b>Share capital</b>		<b>2,805</b>	2,805
<b>Reserves</b>		<b>151,254</b>	147,124
		<b>154,059</b>	149,929

The notes on pages 7 to 10 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(in HK\$'000)	Note	Six months ended 30 September	
		2003 (Unaudited)	2002 (Unaudited)
<b>Shareholders' equity at the beginning of the period</b>			
– as previously reported		149,085	126,048
– prior year adjustment in respect of deferred tax		844	–
– as restated		149,929	126,048
Net profit for the period		9,740	15,816
2002/03 final dividend	4	(5,610)	(8,415)
<b>Movements in share capital and reserves</b>			
Shares issued under share option scheme		–	5
Share premium received		–	570
Net increase in shareholders' equity arising from capital transactions with shareholders		–	575
<b>Shareholders' equity at the end of the period</b>		<b>154,059</b>	<b>134,024</b>

The notes on pages 7 to 10 form part of these financial statements.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	<b>Six months ended 30 September</b>	
<i>(in HK\$'000)</i>	<b>2003 (Unaudited)</b>	2002 (Unaudited)
<b>Net cash from operating activities</b>	<b>20,074</b>	11,973
<b>Net cash used in investing activities</b>	<b>(5,853)</b>	(1,776)
<b>Net cash used in financing activities</b>	<b>(7,305)</b>	(4,760)
<b>Net increase in cash and cash equivalents</b>	<b>6,916</b>	5,437
<b>Cash and cash equivalents at 1 April</b>	<b>61,846</b>	53,281
<b>Cash and cash equivalents at 30 September</b>	<b>68,762</b>	58,718
<b>Analysis of balance of cash and cash equivalents</b>		
Deposits with banks	<b>49,475</b>	51,552
Cash at bank and in hand	<b>20,281</b>	7,447
Cash and cash equivalents for the purpose of consolidated balance sheet	<b>69,756</b>	58,999
Less: Bank overdrafts	<b>(994)</b>	(281)
<b>Cash and cash equivalents for the purpose of condensed consolidated cash flow statement</b>	<b>68,762</b>	58,718

*The notes on pages 7 to 10 form part of these financial statements.*

## NOTES ON THE FINANCIAL STATEMENTS

### 1. Significant accounting policies

#### (a) Basis of presentation

These unaudited consolidated interim financial statements are prepared in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with the Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants ("HKSA").

The accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2003, except as disclosed under note 1(b) below.

#### (b) SSAP 12 (Revised) "Income taxes"

In the current period, the Group adopted SSAP 12 (Revised) "Income taxes" issued by HKSA. The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In prior years, partial provision was made for deferred tax using the income statement liability method in respect of the tax effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to crystallise in the foreseeable future. Future deferred tax benefits are not recognised unless their realisation is assured beyond reasonable doubt.

SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively.

The shareholders' equity as at 1 April 2003 was restated and increased by HK\$844,000. The adjustment primarily represents the deferred tax assets in respect of tax losses recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised net of deferred tax liabilities recognised in respect of temporary differences arising from fixed assets. The effect of the change on the tax charge to the consolidated income statement is an increase in tax credit of HK\$666,000 (2002: HK\$nil).

### 2. Profit from ordinary activities before taxation

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

<i>(in HK\$'000)</i>	<b>Six months ended 30 September</b>	
	<b>2003 (Unaudited)</b>	2002 (Unaudited)
Depreciation of owned fixed assets	<b>3,172</b>	2,908
Depreciation of fixed assets held under finance leases	<b>94</b>	283
Interest on bank advances	<b>449</b>	632
Finance charges on obligations under finance leases	<b>5</b>	44
Gain on disposal of fixed assets	<b>(18)</b>	(41)



**3. Taxation**

<i>(in HK\$'000)</i>	<b>Six months ended 30 September</b>	
	<b>2003 (Unaudited)</b>	2002 (Unaudited)
Current Tax		
Hong Kong profits tax	<b>236</b>	944
Taxation outside Hong Kong	<b>7</b>	318
	<b>243</b>	1,262
Deferred Tax		
Origination and reversal of temporary differences	<b>(762)</b>	–
Total income tax (credit)/charge	<b>(519)</b>	1,262

The provision for Hong Kong profits tax is calculated at 17.5% (2002: 16%) on the estimated assessable profits for the six months ended 30 September 2003. Taxation for overseas subsidiary is similarly charged at the appropriate current rates of taxation ruling at the relevant countries.

**4. Dividends**

<i>(in HK\$'000)</i>	<b>Six months ended 30 September</b>	
	<b>2003 (Unaudited)</b>	2002 (Unaudited)
2002/03 final dividend paid of HK2.0 cents (2001/02: HK3.0 cents) per share	<b>5,610</b>	8,415
2003/04 interim dividend proposed of HK1.0 cent (2002/03: HK1.0 cent) per share	<b>2,805</b>	2,805

The directors have declared an interim dividend of HK1.0 cent (2002/03: HK1.0 cent) per share for the year ending 31 March 2004 payable to the shareholders on the register of members of the Company at the close of business on Thursday, 15 January 2004. The relevant dividend warrants will be despatched to shareholders on Tuesday, 20 January 2004.

**5. Earnings per share**

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$9,740,000 (2002: HK\$15,816,000) and the weighted average of 280,500,000 (2002: 280,379,781) ordinary shares in issue during the period.

The calculation of the diluted earnings per share for the period is based on the profit attributable to shareholders for the period of HK\$9,740,000 (2002: HK\$15,816,000) and 280,500,000 (2002: 281,027,870) ordinary shares, being the weighted average number of shares outstanding during the period, adjusted for the effects of dilutive potential ordinary shares outstanding during the period.

The reconciliation of weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

	<b>Six months ended 30 September</b>	
	<b>2003 (Unaudited)</b>	2002 (Unaudited)
<i>(Number of shares)</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	<b>280,500,000</b>	280,379,781
Weighted average number of ordinary shares assumed issued at no consideration on deemed exercise of all options outstanding during the period	—	648,089
Weighted average number of ordinary shares used in calculating diluted earnings per share	<b>280,500,000</b>	281,027,870

## 6. Segmental reporting

Segmental information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of customers is chosen because this is in line with the Group's management information reporting system.

Segment outside Hong Kong represents sales to customers located in the PRC and Taiwan.

No business segment analysis of the Group is presented because sales of garments is the only distinguishable business segment of the Group.

<i>(in HK\$'000)</i>	<b>Six months ended 30 September</b>							
	<b>Hong Kong</b>		<b>Outside Hong Kong</b>		<b>Unallocated</b>		<b>Consolidated</b>	
	<b>2003 (Unaudited)</b>	2002 (Unaudited)	<b>2003 (Unaudited)</b>	2002 (Unaudited)	<b>2003 (Unaudited)</b>	2002 (Unaudited)	<b>2003 (Unaudited)</b>	2002 (Unaudited)
Revenue from external customers	<b>70,599</b>	82,186	<b>20,589</b>	16,299	—	—	<b>91,188</b>	98,485
Other revenue from external customers	—	—	—	—	<b>220</b>	304	<b>220</b>	304
Total	<b>70,599</b>	82,186	<b>20,589</b>	16,299	<b>220</b>	304	<b>91,408</b>	98,789
Segment result	<b>5,338</b>	15,714	<b>3,747</b>	1,277			<b>9,085</b>	16,991
Unallocated operating income and expenses							<b>691</b>	967
Profit from operations							<b>9,776</b>	17,958
Finance costs							<b>(555)</b>	(880)
Taxation							<b>519</b>	(1,262)
Profit attributable to shareholders							<b>9,740</b>	15,816
Depreciation for the period	<b>3,251</b>	3,186	<b>15</b>	5			<b>3,266</b>	3,191

**7. Trade and other receivables**

Included in trade and other receivables are trade debtors with the following ageing analysis:

<i>(in HK\$'000)</i>	<b>As at 30 September 2003 (Unaudited)</b>	As at 31 March 2003 (Audited)
Outstanding balances with ages:		
Within 30 days	<b>4,925</b>	3,850
Between 31 to 90 days	<b>2,329</b>	4,179
Between 91 to 180 days	<b>1,992</b>	4,834
Between 181 to 365 days	<b>4,868</b>	2,287
Over 365 days	<b>326</b>	1,079
	<b>14,440</b>	16,229

Customers of wholesale business are generally granted with credit terms of 30 to 90 days. Collection of sales receipts from customers of retail business is conducted on a cash basis.

**8. Trade and other payables**

Included in trade and other payables are trade creditors with the following ageing analysis:

<i>(in HK\$'000)</i>	<b>As at 30 September 2003 (Unaudited)</b>	As at 31 March 2003 (Audited)
Outstanding balances with ages:		
Within 30 days	<b>5,645</b>	2,695
Between 31 to 90 days	<b>219</b>	94
Between 91 to 180 days	<b>380</b>	347
Between 181 to 365 days	<b>205</b>	—
	<b>6,449</b>	3,136

**9. Contingent liabilities**

At 30 September 2003, the Company had contingent liabilities in relation to guarantees given to banks against mortgage loans and other banking facilities extended to certain wholly owned subsidiaries amounted to HK\$32,972,000 (31 March 2003: HK\$32,336,000).

**10. Comparative figures**

Certain comparative figures have been changed due to the adoption of the requirements of SSAP 12 (Revised) during the period as described in note 1(b).

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW AND PROSPECTS

The Group's turnover decreased by approximately 7.4% to approximately HK\$91.2 million (2002: HK\$98.5 million) during the six months ended 30 September 2003 compared with the corresponding period last year. The regional revenue of the PRC and Taiwan increased by approximately 26.3% to approximately HK\$20,589,000 (2002: HK\$16,299,000) during the period under review. The increase was mainly attributable to the expansion of the Group's sales network in the PRC.

The Group suffered heavily from the impacts brought by the outbreak of severe acute respiratory syndrome ("SARS") during the period. The turnover of the Hong Kong region had decreased by approximately 14.1% to approximately HK\$70.6 million (2002: HK\$82.2 million).

During the period, the Group's gross profit margin was approximately 73.8%, as compared to approximately 77.8% for the corresponding period in 2002. The decrease of approximately 4.0 percentage points was mainly attributed to the decrease in proportion of revenue from retail operations within Hong Kong and the increase in proportion of revenue from operations in the mainland China.

Operating expenses for the six months ended 30 September 2003 totaled approximately HK\$58,208,000, compared to approximately HK\$59,637,000 for the same period last year with a slight decrease of approximately 2.4%.

The profit attributable to the shareholders for the period was approximately HK\$9.7 million (2002: HK\$15.8 million), approximately 38.4% lower than the corresponding period last year. The decrease is mainly attributable to decrease in turnover caused by the serious impacts from SARS.

The number of stores in the PRC increased during this period, and there were totally 39 MOISELLE stores and one imaroon store located in various cities in the PRC as at 30 September 2003 (2002: 23 MOISELLE and two imaroon). The development of business in the PRC had been benefited from the growth momentum of the domestic economy.

Concerning Hong Kong retail market, the Group operated 20 MOISELLE and 10 imaroon retail outlets as at 30 September 2003 (2002: 20 MOISELLE, 11 imaroon and one M.kids). During the period under review, the Group had relocated two retail outlets to districts of high tourists flow, such as Tsimshatsui. The M.kids retail outlet was closed when relevant lease expired during the period. The Group does not intend to re-open any retail outlet for M.kids currently.

During the hardest season the Group had ever gone through in her history, the management and staff had implemented various measures to minimize impacts from sharply worsened economic conditions under SARS attack. While providing prestige brand choice to customers is still the utmost objective of the Group, resources had been concentrated in design and development and customer services enhancement. Extensive training and upgrading of customer services standard had been main focus of the retail operations in Hong Kong.

At 30 September 2003, the Group retained in Taiwan market five MOISELLE stores and one imaroon store (2002: six MOISELLE and two imaroon), all in Taipei. The Taiwan business was not growing at expected rate due to the domestic unfavorable economic environment. The Group, however, still puts emphasis on the market and will adjust the pace of expansion carefully to avoid impacts on the brand building.

The Group's development in the mainland China was satisfactory during the period. The Group will continue to explore the business opportunities in other countries, such as Canada. With favorable effects brought by the Closer Economic Partnership Arrangement and relaxed travel restrictions on mainland China tourists, the management is cautiously optimistic on the retail market of Hong Kong in the coming year.

## **RECOGNITION**

The Group has participated in the Hong Kong New Fashion Collection Award 2003 organised by Hong Kong Trade Development Council on 8 July 2003. The Group has won the prizes of Award for Marketability: Occasional Wear, Award for Marketability: Daywear and Award for Best Application of Technology which once again proved the recognition from the industry on the creativity and design of MOISELLE.

## **FINANCIAL POSITION**

During the period, the Group financed its operations with both the net proceeds from the new issue in 2002 and internally generated cash flows. The Group adopts a prudent financial policy such that it can meet the financial obligations when they fall due and maintain a sufficient operating fund for the development of the Group's business. At the end of the financial period, the Group's aggregate fixed deposits and cash balances amounted to approximately HK\$70 million (31 March 2003: HK\$62 million). As at 30 September 2003, the Group maintained aggregate composite banking facilities of approximately HK\$55 million (31 March 2003: HK\$69 million) with various banks, of which approximately HK\$4 million (31 March 2003: HK\$2 million) was utilised.

The Group continues to enjoy healthy financial position. As at 30 September 2003, the current ratio (current assets divided by current liabilities) was 5.2 times (31 March 2003: 6.4 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was 19.5% (31 March 2003 restated: 20.3%).

### **Charge on assets**

As at 30 September 2003, investment properties and leasehold land and buildings with a carrying value of approximately HK\$50 million (31 March 2003: HK\$47 million) were pledged to secure banking facilities granted to the Group.

### **Contingent liabilities**

At 30 September 2003, the Company had contingent liabilities in relation to guarantees given to banks against mortgage loans and other banking facilities extended to certain wholly owned subsidiaries amounted to approximately HK\$33 million (31 March 2003: HK\$32 million).

## USE OF PROCEEDS

The Group raised approximately HK\$59 million, net of related expenses, from the issue of 70,000,000 new shares of the Company at HK\$1.00 per share in February 2002. Further to the annual report of the year ended 31 March 2003, during the six months ended 30 September 2003, the directors have applied additional net proceeds as to approximately HK\$1.65 million for the development of the Group's overseas operations such as the Asia Pacific region and Europe.

## EMPLOYEE

As at 30 September 2003, the Group employed 566 staff in Hong Kong and the PRC. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, statutory insurance cover, training programmes and a share option scheme.

## OTHER INFORMATION

### DIRECTORS

The directors during the period and up to the date of this report were:

#### Executive directors

Mr. Chan Yum Kit  
Ms. Tsui How Kiu, Shirley  
Mr. Chui Hing Yee  
Mr. Chan Sze Chun

#### Independent non-executive directors

Ms. Yu Yuk Ying, Vivian  
Mr. Chu Chun Kit, Sidney  
Mr. Chan Sui Mou

*(appointed on 27 October 2003)*  
*(resigned on 27 October 2003)*

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

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

Director	Number of shares held	Type of interest
Mr. Chan Yum Kit	210,000,000	Corporate/Family (notes 1 and 2)
Ms. Tsui How Kiu, Shirley	210,000,000	Corporate/Family (notes 1 and 2)

### Notes:

- These shares are held by Super Result Consultants Limited ("Super Result"). The share capital of Super Result is beneficially owned by Mr. Chan Yum Kit ("Mr. Chan"), Ms. Tsui How Kiu, Shirley ("Ms. Tsui") and Mr. Chui Hing Yee as to 46.7%, 46.7% and 6.6% respectively. Each of Mr. Chan and Ms. Tsui will therefore be deemed to be interested in the 210,000,000 shares held by Super Result as corporate interest.
- Since Mr. Chan and Ms. Tsui are married to the other, Mr. Chan will be deemed to be interested in the shares which Ms. Tsui will be deemed to be interested in as family interest and vice versa.

In addition to the above, certain director has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the group solely for the purpose of complying with the minimum company membership requirements of the Hong Kong Companies Ordinance. Certain directors also have beneficial interests in non-voting deferred shares practically carrying no rights to dividends or to receive notice of or to attend or vote at any general meeting or to participate in any distribution or winding up in a subsidiary.

Apart from the foregoing, as at 30 September 2003, none of the directors or the chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed in the section "Share options" below, at no time during the six months ended 30 September 2003 was the Company, its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**SHARE OPTIONS**

Pursuant to the share option scheme adopted on 25 January 2002, the Company has granted certain directors and employees of the Company and other participants options to subscribe for shares of the Company on 2 April 2002. A summary of the movements of the outstanding share options during the six months ended 30 September 2003 is set out below.

Eligible person	Number of share options				Balance as at 30/09/2003	Exercise price per share	Date of grant	Exercisable period
	Balance as at 01/04/2003	Granted during the period	Exercised/ cancelled during the period	Lapsed during the period				
						HK\$	(DD/MM/YYYY)	(DD/MM/YYYY)
Mr. Chan Director	2,100,000	-	-	-	2,100,000	1.15	02/04/2002	23/04/2002-01/04/2012
Ms. Tsui Director	2,100,000	-	-	-	2,100,000	1.15	02/04/2002	23/04/2002-01/04/2012
Chui Hing Yee Director	500,000	-	-	-	500,000	1.15	02/04/2002	23/04/2002-01/04/2012
Chan Sze Chun Director	900,000	-	-	-	900,000	1.15	02/04/2002	23/04/2002-01/04/2012
Yu Yuk Ying, Vivian Director	100,000	-	-	-	100,000	1.15	02/04/2002	23/04/2002-01/04/2012
Chan Sui Mou Director	100,000	-	-	-	100,000	1.15	02/04/2002	23/04/2002-01/04/2012
Continuous contract employees in aggregate	1,770,000	-	-	180,000	1,590,000	1.15	02/04/2002	02/04/2003-01/04/2012
Other participants in aggregate	700,000	-	-	-	700,000	1.15	02/04/2002	23/04/2002-01/04/2012
	<u>8,270,000</u>	<u>-</u>	<u>-</u>	<u>180,000</u>	<u>8,090,000</u>			

*Note:*

- The closing price of the shares immediately before 2 April 2002 on which the options were granted is HK\$1.14.



**SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY**

As at 30 September 2003, the register kept by the Company under section 336 of the SFO showed that the following shareholders (other than the directors and the chief executive of the Company) had an interest or a short position in the shares or underlying shares of the Company:

	<b>Number of shares held</b>	<b>Approximate percentage of shareholding</b>
Super Result	210,000,000	74.87%
HKSCC Nominees Limited	69,526,000	24.79%

*Note:* The share capital of Super Result is beneficially owned by Mr. Chan, Ms. Tsui and Mr. Chui Hing Yee as to 46.7%, 46.7% and 6.6% respectively.

Apart from the foregoing, and other than the directors and the chief executive of the Company whose interests are set out in the sections "Directors' and chief executive's interests in securities" and "Share options" above, no other parties were recorded in the register kept by the Company under section 336 of the SFO as having an interest or a short position in the shares or underlying shares of the Company as at 30 September 2003.

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

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 September 2003.

**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 30 September 2003, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules.

**CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 13 January 2004 to Thursday, 15 January 2004, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Monday, 12 January 2004.

By Order of the Board  
**Chan Yum Kit**  
*Chairman*

Hong Kong SAR, 29 December 2003