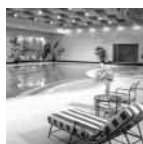
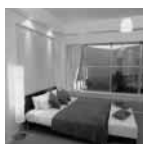


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CORPORATE INFORMATION

DIRECTORS

Executive Directors

CHUA Domingo, *Chairman*
PANG Kit Man, John,
Chief Executive Officer
TANENGLIAN Mariano Chua
TAN Lucio Jr. Khao
CHEUNG Chi Ming

Independent Non-executive

Directors/Audit Committee
CHONG Kim Chan, Kenneth
SY Robin

COMPANY SECRETARY

WONG Oi Yee, Polly

AUDITORS

Deloitte Touche Tohmatsu

LEGAL ADVISERS

Deacons
Appleby Spurling & Kempe
Barristers & Attorneys

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of China
Bank of Communications
China Merchants Bank

STOCK CODE

029

SHARE REGISTRARS

Principal Share Registrars

Butterfield Fund Services
(Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

Branch Share Registrars

Tengis Limited
Ground Floor
BEA Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong Special Administrative Region

REGISTERED OFFICE

Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

PRINCIPAL PLACE OF BUSINESS

17th Floor, Eton Tower
8 Hysan Avenue
Causeway Bay
Hong Kong Special Administrative Region

WEBSITES

<http://www.dynamic-hk.com>
<http://www.thesuncrest.com>



MANAGEMENT STATEMENT

The Directors hereby present their management statement and the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 31st December, 2002.

INTERIM RESULTS

For the six months ended 31st December, 2002, the Group’s turnover soared by about 671% over the last corresponding period to HK\$212,254,000. This is attributable to the booking of sales revenue (by about HK\$179,106,000) for the first two towers of Chaoyang Garden (The Sun Crest) in Phase II, following the issuance of occupation permit during the period as in line with the Group’s accounting policies.

For the period under review, the Group achieved a gross profit of HK\$36,774,000 and an operating profit of HK\$24,796,000, representing an increase of about 90% and 118% respectively as compared with those of the previous corresponding period. These are also primarily due to the booking of sales of the first two towers in Phase II. The net profit for the period of HK\$16,008,000 shows an increase of about 85% as compared to the same period last year.

SEGMENT INFORMATION

Details of the segment information of the Group’s turnover and contribution to profit from operations by principal activity and geographical location of operations for the period are set out in note 3 to the condensed consolidated financial statements.

BUSINESS REVIEW

Chaoyang Garden/The Sun Crest

During the period under review, the Group realised sales proceeds of about HK\$188,395,000 from sales of remaining units in Phase I and the first two towers in Phase II, which were completed and delivered in November 2002. So far, about 70% of these two towers has been sold.

The remaining two towers of Phase II are scheduled to be completed by the second half of this year, one of which has been put forward for pre-sale in October 2002.



MANAGEMENT STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

The development of Phase III (the final phase) has been slightly delayed due to further revisions of building plans having been made necessary by new building rules and regulations now coming into force.

Dynamic Cargo Center

As for the Hong Kong cargo center, the Group achieved a reasonably high level (about 90%) of occupancy throughout the period under review. However, rental income for the period fell by about 15% as downward pressure on rent and occupancy continued to reflect competition across the border.

Tung Kok Tau

During the period, the port operations in Tung Kok Tau showed an increase in sales and earnings of about 94% and 181% respectively as against the previous corresponding period.

FINANCIAL REVIEW

The financial position of the Group remains healthy and liquid. At 31st December, 2002, the total shareholders' fund of the Group amounted to HK\$753,999,000 (30th June, 2002: HK\$742,772,000) with net asset value of HK\$3.44 (30th June, 2002: HK\$3.39). Total bank borrowings of the Group were about HK\$180,497,000 (30th June, 2002: HK\$186,097,000) as at 31st December, 2002, which were in Hong Kong dollars and repayable within two years at average interest rate of about 3.4% per annum. Accordingly, the debt-to-equity ratio of the Group at 31st December, 2002 was about 24% (30th June, 2002: 25%). As at 31st December, 2002, the Group pledged certain of its assets (including investment properties with an aggregate carrying value of HK\$460,000,000) as security against general banking facilities granted to the Group. The contingent liabilities of the Group for guarantees given to financial institutions in respect of banking facilities granted to the Group and mortgage loans provided to the home buyers of a property project in the PRC amounted to HK\$188,500,000 (30th June, 2002: HK\$194,100,000) and HK\$430,996,000 (30th June, 2002: HK\$377,480,000) respectively.



MANAGEMENT STATEMENT *(Continued)*

FINANCIAL REVIEW *(Continued)*

In the period, sufficient cashflow was generated by sales proceeds of Chaoyang Garden/The Sun Crest in Beijing, rental income of Dynamic Cargo Center and revenue of port operations. As at 31st December, 2002, the Group's cash and bank balance stood at HK\$51,483,000 (30th June, 2002: HK\$90,657,000) denominated primarily in Hong Kong dollars and Renminbi yuans. No significant exposure to foreign currency fluctuations affected the Group in the period. The funding requirements for development projects of Chaoyang Garden/The Sun Crest and redevelopment of Tung Kok Tau are intended to be financed by internal resources, bank borrowings and such other means of financing as the Directors may think expedient.

EMPLOYEES

At 31st December, 2002, the Group had about 200 employees in Hong Kong and the Mainland at prevailing market remunerations with employee benefits such as medical insurance, provident fund scheme and share option scheme.

PROSPECTS

In Beijing, the property market seems to have normalised after a period of euphoria brought about by the effects of the 2008 Olympics and China's WTO entry. However, competition remains keen as an over-supply situation in the high-end residential sector continues to exert pressure on pricing and profit. Nevertheless, the Group has been able to hold its own due to its established brand name and quality image.

In Hong Kong, demand of warehousing spaces appears to be on an upward trend benefiting from China's strong export growth. It is expected that the Group will be able to continue to enjoy high occupancy and stable rental income from its cargo center during the rest of this year.

As for Tung Kok Tau, negotiations with the mainland partners are ongoing. Although the leadership of Shenzhen has shown its support for an amicable settlement, a final conclusion to this long drawn out dispute may still need time.

INTERIM DISTRIBUTION

The Directors have declared an interim distribution of 2 Hong Kong cents (2001: 2 Hong Kong cents) per share for the six months ended 31st December, 2002 to all shareholders whose names appear on the register of members of the Company on 25th April, 2003. The warrants for such distribution are expected to be despatched to those entitled on or about 7th May, 2003.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 22nd April, 2003 to Friday, 25th April, 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim distribution, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 17th April, 2003.

DIRECTORS' OR CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31st December, 2002, the interests of the Directors, chief executives and their associates in the ordinary shares of the Company as recorded in the register of the Company required to be kept under Section 29 of the Hong Kong Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Name of Director	Number of ordinary shares held	
	Personal interests	Corporate interests
Chua Domingo (<i>note</i>)	3,862,000	89,321,279
Pang Kit Man, John	490,000	—

Note: The corporate interests of Mr. Chua Domingo were held through Dynamic Development Corporation. Dynamic Development Corporation is wholly-owned by Carnation Investments Inc. of which Mr. Chua Domingo is the sole shareholder.



MANAGEMENT STATEMENT *(Continued)*

DIRECTORS' OR CHIEF EXECUTIVES' INTERESTS IN SHARES *(Continued)*

Save as disclosed above, none of the Directors, chief executives and their associates had any personal, family, corporate or other interests (whether beneficial or non-beneficial) in the equity or debt securities of the Company or its associated corporations as defined under the SDI Ordinance as at 31st December, 2002, and none of them was granted nor had exercised any right to subscribe for any securities of the Company during the period.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of Mr. Chua Domingo, the register maintained by the Company under Section 16(1) of the SDI Ordinance shows no other person as having an interest representing 10% or more of the issued share capital of the Company as at 31st December, 2002.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied throughout the six months ended 31st December, 2002 with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DISCLOSURE UNDER PRACTICE NOTE 19 TO THE LISTING RULES

During the period, the Group had entered into a loan agreement which required the substantial shareholder of the Company, Mr. Chua Domingo, to maintain his controlling interest in the Company. Otherwise, the agreed facilities might be immediately due and payable. The relevant loan granted to Yonderille Developments Limited, a wholly-owned subsidiary of the Company, amounted to HK\$174,800,000 as at 31st December, 2002. However, there was no such requirement upon re-financing on 17th February, 2003.



MANAGEMENT STATEMENT *(Continued)*

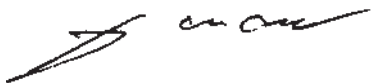
PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management the accounting practices and principles adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of this interim report.

By Order of the Board



Pang Kit Man, John
Chief Executive Officer

Hong Kong, 21st March, 2003

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31st December, 2002

		Unaudited	
		Six months ended	
		31st December,	
	<i>Notes</i>	2002	2001
		HK\$'000	HK\$'000
Turnover	2	212,254	27,541
Cost of sales		(175,480)	(8,232)
Gross profit		36,774	19,309
Other operating income	4	2,078	133
Administrative expenses		(14,056)	(8,043)
Profit from operations		24,796	11,399
Finance costs	6	(1,011)	(1,506)
Profit before taxation		23,785	9,893
Taxation	7	(5,702)	(648)
Profit for the period		18,083	9,245
Minority interests		(2,075)	(596)
Net profit for the period		16,008	8,649
Distribution	8	4,382	4,382
Earnings per share (<i>Hong Kong cents</i>)	9		
— basic		7.31	3.95

CONDENSED CONSOLIDATED BALANCE SHEET

At 31st December, 2002

<i>Notes</i>	Unaudited At 31st December, 2002 HK\$'000	Audited At 30th June, 2002 HK\$'000
Non-current Assets		
	8,762	8,229
Property, plant and equipment		
	460,000	460,000
Investment properties		
	79,738	284,654
Properties under development		
	51,093	51,064
Deposit paid to acquire land use rights		
	1,864	2,443
Goodwill		
	421	421
Interests in associates		
	—	—
Investments in securities		
	1,484	2,147
Loan receivables		
	603,362	808,958
Current Assets		
	386,843	182,306
Properties under development		
	253,948	82,697
Properties held for sale		
	2,459	1,073
Loan receivables		
	33,678	36,950
Trade and other receivables	<i>10</i>	
Amounts due from minority shareholders	4,724	4,695
Tax recoverable	4	—
Bank deposits — pledged	19,025	16,846
Bank balances and cash	51,483	90,657
	752,164	415,224
Current Liabilities		
	334,559	118,608
Trade and other payables	<i>11</i>	
	55,279	148,079
Pre-sale deposits received		
	690	188
Tax liabilities		
	15,000	61,300
Bank loans (secured) — due within one year	<i>12</i>	
	405,528	328,175
	346,636	87,049
Net Current Assets		
	949,998	896,007
Total Assets less Current Liabilities		

CONDENSED CONSOLIDATED BALANCE SHEET *(Continued)*

At 31st December, 2002

	<i>Notes</i>	Unaudited At 31st December, 2002 HK\$'000	Audited At 30th June, 2002 HK\$'000
Capital and Reserves			
Share capital	<i>13</i>	219,104	219,104
Reserves		534,895	523,668
		753,999	742,772
Minority Interests			
		27,506	25,442
Non-current Liabilities			
Bank loans (secured) — due after one year	<i>12</i>	165,497	124,797
Amounts due to associates		2,996	2,996
		168,493	127,793
		949,998	896,007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st December, 2002

	Share			Capital			Statutory reserve	Retained profits	Total
	Share capital	premium account	Contributed surplus	Negative goodwill	redemption reserve	Translation reserve			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 30th June, 2002 (audited)	219,104	426,608	55,018	6,653	1,644	(2,740)	721	35,764	742,772
Exchange difference arising on translation of overseas operations	—	—	—	—	—	(399)	—	—	(399)
Net profit for the period	—	—	—	—	—	—	—	16,008	16,008
Distribution	—	—	—	—	—	—	—	(4,382)	(4,382)
At 31st December, 2002 (unaudited)	219,104	426,608	55,018	6,653	1,644	(3,139)	721	47,390	753,999
At 30th June, 2001 (audited)									
As originally stated	219,104	426,608	55,018	6,653	1,644	(2,710)	542	87,922	794,781
Prior period adjustment	—	—	—	—	—	—	—	4,382	4,382
	219,104	426,608	55,018	6,653	1,644	(2,710)	542	92,304	799,163
Exchange difference arising on translation of overseas operations	—	—	—	—	—	(431)	—	—	(431)
Net profit for the period	—	—	—	—	—	—	—	8,649	8,649
Distribution	—	—	—	—	—	—	—	(4,382)	(4,382)
At 31st December, 2001 (unaudited)	219,104	426,608	55,018	6,653	1,644	(3,141)	542	96,571	802,999

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31st December, 2002

	Unaudited	
	Six months ended	
	31st December,	
	2002	2001
	HK\$'000	HK\$'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	109,840	27,457
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(135,698)	(56,700)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(13,364)	(12,942)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,222)	(42,185)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	90,657	168,751
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	48	93
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	51,483	126,659
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	51,483	126,659



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st December, 2002

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Statement of Standard Accounting Practice No. 25 “interim financial reporting” issued by the Hong Kong Society of Accountants.

The accounting policies adopted are consistent with those adopted in the annual financial statements of the Group for the year ended 30th June, 2002 except that the Group has adopted the following new or revised Statement of Standard Accounting Practices (“SSAPs”) issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1st January, 2002:

SSAP 1 (revised)	:	“Presentation of financial statements”
SSAP 11 (revised)	:	“Foreign currency translation”
SSAP 15 (revised)	:	“Cash flow statements”
SSAP 25 (revised)	:	“Interim financial reporting”
SSAP 34	:	“Employee benefits”

These SSAPs prescribe new accounting measurement and disclosure practices. The adoption of these SSAPs during the current financial period does not have any significant impact on the Group’s profit or shareholders’ equity, except that the presentation of certain items and balances in the condensed consolidated interim financial statements have been revised to comply with the new requirements.

The condensed consolidated financial statements of the Group for the six months ended 31st December, 2002 are unaudited and have been reviewed by the Audit Committee of the Company.

2. TURNOVER

Turnover represents the aggregate of gross proceeds from sales of properties, gross property rental income and gross income from the operations of the port during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

3. SEGMENT INFORMATION

Business segments

For management purposes, the Group is currently organised into three operating divisions — property sales, property rental and port operations. These principal operating activities are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property sales	—	sales of properties developed by the Group
Property rental	—	leasing of investment properties
Port operations	—	operations of the port

Segment information about these businesses is presented below:

	Property sales		Property rental		Port operations		Consolidated	
	Six months ended 31st December,						2002	2001
	2002	2001	2002	2001	2002	2001		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
TURNOVER								
External sales	189,105	6,966	12,942	15,313	10,207	5,262	212,254	27,541
SEGMENT RESULT	14,999	1,258	11,533	14,329	3,698	1,315	30,230	16,902
Unallocated other operating income							2	22
Unallocated corporate expenses							(5,436)	(5,525)
Profit from operations							24,796	11,399
Finance costs							(1,011)	(1,506)
Profit before taxation							23,785	9,893
Taxation							(5,702)	(648)
Profit for the period							18,083	9,245
Minority interests							(2,075)	(596)
Net profit for the period							16,008	8,649

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

3. SEGMENT INFORMATION *(Continued)*

Geographical segments

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Turnover by geographical market		Profit from operations	
	Six months ended 31st December,			
	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Hong Kong Special Administrative Region ("Hong Kong")	12,942	15,313	11,533	14,329
Other regions in the People's Republic of China ("PRC")	199,312	12,228	18,697	2,573
	212,254	27,541	30,230	16,902
Unallocated other operating income			2	22
Unallocated corporate expenses			(5,436)	(5,525)
Profit from operations			24,796	11,399

4. OTHER OPERATING INCOME

Other operating income includes interest income from bank deposits for the six months ended 31st December, 2002 amounted to HK\$561,000 (2001: HK\$85,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

5. DEPRECIATION AND AMORTIZATION

	Unaudited	
	Six months ended	
	31st December,	
	2002	2001
	HK\$'000	HK\$'000
Profit from operations has been arrived at after charging (crediting):		
Amortization of goodwill (included in administrative expenses)	579	571
Depreciation	724	734
Less: Amount capitalised and included in properties under development	(256)	(233)
	468	501

6. FINANCE COSTS

	Unaudited	
	Six months ended	
	31st December,	
	2002	2001
	HK\$'000	HK\$'000
Interest on bank borrowings wholly repayable within five years	3,350	4,486
Less: Amount capitalised and included in properties under development by applying a capitalisation rate of 4.6% (2001: 5.8%) to expenditure on qualifying assets	(2,339)	(2,980)
	1,011	1,506



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

7. TAXATION

	Unaudited	
	Six months ended	
	31st December,	
	2002	2001
	HK\$'000	HK\$'000
The tax charge comprises:		
PRC Income Tax	5,702	648

No Hong Kong Profits Tax is provided as there is no estimated assessable profit for 2002 and 2001.

PRC Foreign Enterprise Income Tax is calculated at the rates prevailing in the PRC.

8. DISTRIBUTION

On 17th January, 2003, a distribution of 2 Hong Kong cents (2001: 2 Hong Kong cents) per share was paid to the Company's shareholders as a final distribution for the year ended 30th June, 2002.

The Directors have declared an interim distribution of 2 Hong Kong cents (2001: 2 Hong Kong cents) per share for the six months ended 31st December, 2002 to all shareholders whose names appear on the register of members of the Company on 25th April, 2003.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit for the period of HK\$16,008,000 (2001: HK\$8,649,000) and on the weighted average number of 219,103,681 (2001: 219,103,681) ordinary shares in issue throughout the period.

No diluted earnings per share is shown as there is no dilutive effect on the earnings per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2002

10. TRADE AND OTHER RECEIVABLES

At 31st December, 2002, the balance of trade and other receivables included trade receivables of HK\$10,205,000 (30th June, 2002: HK\$9,167,000). For property sales, the Group allows an average credit period of 30 days to its customers. Rental receivables from tenants and service income receivables from customers are payable on presentation of invoices. The aged analysis of trade receivables is as follows:

	Unaudited At 31st December, 2002 HK\$'000	Audited At 30th June, 2002 HK\$'000
0 — 60 days	3,973	4,885
61 — 90 days	57	432
> 90 days	6,175	3,850
	10,205	9,167

11. TRADE AND OTHER PAYABLES

At 31st December, 2002, the balance of trade and other payables included trade payables of HK\$293,608,000 (30th June, 2002: HK\$79,638,000). The aged analysis of trade payables is as follows:

	Unaudited At 31st December, 2002 HK\$'000	Audited At 30th June, 2002 HK\$'000
0 — 60 days	10,531	25,681
61 — 90 days	—	4
> 90 days	283,077	53,953
	293,608	79,638

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

12. BANK LOANS (SECURED)

	Unaudited At 31st December, 2002 HK\$'000	Audited At 30th June, 2002 HK\$'000
Bank loans, secured	180,497	186,097
The bank loans are repayable as follows:		
Within one year or on demand	15,000	61,300
More than one year, but not exceeding two years	20,600	124,797
More than two years, but not exceeding five years	144,897	—
	180,497	186,097
Less: Amount repayable within one year shown under current liabilities	(15,000)	(61,300)
Amount due after one year	165,497	124,797

The loans bear average interest rate of about 3.4% per annum. As at balance sheet date, the bank loans of HK\$165,497,000 originally repayable within one year were refinanced on 17th February, 2003 and then due after one year, which were classified as non-current liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

13. SHARE CAPITAL

	Number of Shares		Amount	
	Unaudited At 31st December, 2002	Audited At 30th June, 2002	Unaudited At 31st December, 2002 <i>HK\$'000</i>	Audited At 30th June, 2002 <i>HK\$'000</i>
Ordinary shares of HK\$1.00 each Authorised	300,000,000	300,000,000	300,000	300,000
Issued	219,103,681	219,103,681	219,104	219,104

14. SHARE OPTION SCHEME

The share option scheme was adopted for the purpose of providing incentives to Directors, employees and eligible participants and will expire on 20th December, 2011 (the "Share Option Scheme"). Under the Share Option Scheme, the Board of Directors of the Company may grant options to Directors, employees of the Company and its subsidiaries and such eligible participants subject to the terms of the Share Option Scheme, to subscribe for shares of the Company at a price per share not less than the highest of i) the closing price of a share of the Company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at the date of grant of the option; ii) the average of the closing price of a share of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the option; and iii) the nominal value of a share of the Company.

No share option was granted to or exercised by any of the Company's Directors, employees and such eligible participants under the Share Option Scheme during the period and there were no share options outstanding as at 31st December, 2002.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

15. CONTINGENT LIABILITIES

	The Company	
	Unaudited At 31st December, 2002 HK\$'000	Audited At 30th June, 2002 HK\$'000
Guarantees given to financial institutions in respect of banking facilities granted to subsidiaries	188,500	194,100

The extent of such facilities utilised and unutilised by the subsidiaries at 31st December, 2002 amounted to approximately HK\$180,500,000 (30th June, 2002: HK\$186,100,000) and HK\$8,000,000 (30th June, 2002: HK\$8,000,000).

In addition, the Group and the Company have given guarantees in respect of mortgage loans provided to the home buyers of a property project in the PRC. At 31st December, 2002 and 30th June, 2002, the Group had maximum amount of mortgage loans which were subject to these guarantees amounting to HK\$430,996,000 and HK\$377,480,000 respectively.

At 31st December, 2002, the Company had maximum amount of mortgage loans which were subject to these guarantees was HK\$15,598,000 (30th June, 2002: HK\$15,599,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

16. CAPITAL COMMITMENTS

	The Group	
	Unaudited At 31st December, 2002 HK\$'000	Audited At 30th June, 2002 HK\$'000
Capital expenditure contracted for but not provided in the condensed consolidated financial statements for the construction and other fees to be paid in respect of properties under development	161,279	162,279

17. RELATED PARTY TRANSACTIONS

During the period, the Group has entered into the following transactions with related parties:

	Unaudited Six months ended 31st December,	
	2002 HK\$'000	2001 HK\$'000
Rental income received <i>(note 1)</i>	84	195
Rental and management fees paid <i>(note 1)</i>	715	719
Consultancy service fees paid <i>(note 1)</i>	500	500

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31st December, 2002

17. RELATED PARTY TRANSACTIONS *(Continued)*

The outstanding balances with these related parties at 31st December, 2002 were as follows:

	Unaudited At 31st December, 2002 HK\$'000	Audited At 30th June, 2002 HK\$'000
Amounts due from related parties included in trade and other receivables <i>(note 2)</i>	1,769	2,032
Amounts due from minority shareholders <i>(note 2)</i>	4,724	4,695
Amounts due to related parties included in trade and other payables <i>(note 2)</i>	656	657

Notes:

- The transactions were carried out based on the contractual agreements made between both parties.*
- The amounts are unsecured, interest free and repayable on demand.*

Certain Directors have common directorship in the related companies.