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中期業績報告 2003
INTERIM REPORT



九龍建業有限公司

Kowloon Development Company Limited

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中期業績

九龍建業有限公司(「本公司」)董事會謹此宣佈本公司及其附屬公司(「本集團」)截至二零零三年六月三十日止六個月之未經審核綜合業績及二零零二年之比較數字。該等中期業績經由本公司之審核委員會及核數師審閱，而核數師致董事會之獨立審閱報告載於本中期報告第31頁。

股東應佔本集團截至二零零三年六月三十日止六個月之未經審核盈利為八千二百二十萬元(二零零二年為七千七百萬元)，較去年同期增長百分之六點八四。於二零零三年六月三十日，本集團之每股盈利為十七仙，較去年同期之盈利十五點九仙增長百分之六點九二，而每股資產淨值則為六點六元(二零零二年十二月三十一日為六點七元)。

中期股息

董事會宣佈派發中期股息每股六仙(二零零二年為每股五仙)，有關股息將於二零零三年十月三十日派付予於二零零三年十月二十二日登記在股東名冊上之股東。

暫停辦理股份過戶登記手續

本公司將由二零零三年十月二十一日星期二起至二零零三年十月二十二日星期三(包括首尾兩天在內)暫停辦理股份過戶登記手續。凡欲收取中期股息之股東，請於二零零三年十月二十日星期一下午四時正前將股份過戶文件連同有關股票送交本公司股份過戶登記處，香港中央證券登記有限公司，地址為香港灣仔皇后大道東一八三號合和中心十七字樓一七一二至六號舖，辦理過戶手續。

INTERIM RESULTS

The Board of Directors of Kowloon Development Company Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiary companies (the "Group") for the six months ended 30 June 2003 together with the comparative figures for 2002. These interim results have been reviewed by the Company's audit committee and auditors, and the auditors' independent review report to the Board of Directors is set out on page 31 of the interim report.

The Group's unaudited profit attributable to shareholders for the six months ended 30 June 2003 was \$82.2 million (2002: \$77 million), an increase of 6.84% over the same period last year. As at 30 June 2003, the earnings per share of the Group was ¢17, up 6.92% compared with ¢15.9 for the corresponding period last year and the net asset value per share was \$6.6 (31 December 2002: \$6.7).

INTERIM DIVIDEND

The Board of Directors has declared an interim dividend of ¢6 per share (2002: ¢5 per share) which will be payable on 30 October 2003 to shareholders registered as at 22 October 2003.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 21 October 2003 to Wednesday, 22 October 2003, both dates inclusive. To qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 20 October 2003.

業務回顧

概覽

自二零零二年初管理層變更後，本集團之業務主要集中在於地產發展及有關投資。

繼二零零二年向Polytec Holdings International Limited收購物業權益及購入尖沙咀東部新文華中心及旺角信和中心之部份商舖後，本集團於二零零三年年初購入半山般咸道63號采文軒全部住宅單位，經翻新後該批單位已於七月正式在市場開售。於回顧期內香港經濟疲弱加深，對此管理層以極審慎態度作出新的投資決定。

物業投資

於嚴重急性呼吸系統綜合症傳染病（「非典型肺炎疫症」）期間，零售營業額驟降，以致零售商紛紛重組經營計劃；亦令新租約及再續租約之商議於二零零三年上半年變得困難。

本集團之旗艦物業一始創中心，仍能維持高水平之出租率。於二零零三年六月三十日，寫字樓之出租率為百分之九十七點五七（二零零二年六月三十日為百分之九十八點九二），而商舖則為百分之九十五點六九（二零零二年六月三十日為百分之九十六點零三）。於二零零三年六月三十日整體出租率為百分之九十六點八五（二零零二年六月三十日為百分之九十七點八四）。隨著非典型肺炎疫症之影響退減，本集團已開始為始創中心地庫一樓購物商場重新裝修以吸納年青人時尚品牌之租客。此舉為本集團建立始創中心為區內焦點商廈計劃之首項行動。

REVIEW OF OPERATIONS

Overview

Since the change of management in the beginning of 2002, the Group has focused its effort on property development and related investments.

Subsequent to the acquisition of property interests from Polytec Holdings International Limited, retail shops in the New Mandarin Plaza (in Tsimshatsui East) and Sino Centre (in Mongkok) in 2002, the Group acquired at the beginning of 2003 all the residential units of The Bonham Mansion (63 Bonham Road, Mid-levels) which were launched to the market in July for resale after renovation. Management has taken a very cautious approach in making new investments during the period under review as a response to the further weakening of the Hong Kong economy.

Property Investment

The drastic drop in retail sales during the Severe Acute Respiratory Syndrome ("SARS") epidemic has forced retailers to re-structure their business plans and negotiations for new lettings and tenancy renewals during the first half of 2003 have been difficult.

The Group's flagship property, Pioneer Centre, has been able to maintain its occupancy at a high level. Occupancy rate for the office sector was 97.57% as at 30 June 2003 (30 June 2002: 98.92%), while that for the retail sector was 95.69% (30 June 2002: 96.03%). The overall occupancy rate of the building was 96.85% as at 30 June 2003 (30 June 2002: 97.84%). With the effect of SARS dying out, the Group has begun a renovation of the Basement One Floor of the shopping mall of Pioneer Centre to draw in tenants with youth-oriented brand names. This marks the beginning of the Group's move to establish Pioneer Centre as a focal point of its district.

來自位於旺角之旺角中心一期二十樓之租金收入仍能維持於去年之水平。

The 20th Floor of Argyle Centre Phase 1 in Mongkok was able to maintain its rental income at last year's level.

本集團於二零零二年三月二十七日購入尖沙咀東部新文華中心一樓商場大部份商舖，於二零零三年六月三十日該項投資之出租率為百分之七十八點四九(二零零二年六月三十日為百分之九十點六)。

The Group purchased a majority portion of the 1st Floor of the commercial podium of the New Mandarin Plaza in Tsimshatsui East on 27 March 2002, and the occupancy of this investment was 78.49% as at 30 June 2003 (30 June 2002: 90.6%).

此外，另一項新投資為二零零二年六月購入位於旺角信和中心之商舖，於二零零三年六月三十日該項投資之出租率為百分之九十六點七五(二零零二年六月三十日為百分之八十九點三九)。

Another new investment in June 2002 was the retail shops in Sino Centre, Mongkok and the occupancy of this investment was 96.75% as at 30 June 2003 (30 June 2002: 89.39%).

雖然服務式公寓之市場亦因經濟衰退及非典型肺炎疫症爆發而受到影響，然而於極努力之市場推廣下，伊利閣之出租率於二零零三年六月三十日仍可達百分之八十(二零零二年六月三十日為百分之六十五)。

Although the market for serviced apartments has also suffered under the economic recession and the SARS outbreak, occupancy of The Elgin reached 80% as at 30 June 2003 (30 June 2002: 65%) as a result of a substantial marketing effort.

於通縮及消費意欲疲弱之環境下，始創中心、美居中心及美華工業中心之泊車位收入亦隨著下降。

Income from car parks at Pioneer Centre, Manor Centre and Merit Industrial Centre has dropped in line with the deflationary environment and weak consumer sentiment.

物業出售

位於香港半山般咸道63號采文軒共一百零四個住宅單位經過大型翻新工程後，已於二零零三年七月推出市場。由於樓宇位於香港半山之獨特位置並鄰近優質學校，單位銷售情況良好。

物業發展

於四項興建中之全資擁有物業中，其中兩座分別位於香港堅尼地城北街12號（樓面面積約三萬四千三百六十五平方呎）及九龍城太子道西377號（樓面面積約五萬四千八百七十六平方呎）之單幢式住宅大廈預計分別將於二零零三年年底及二零零四年年初落成。

而位於羅便臣道31號之豪華住宅大廈（樓面面積約十二萬八千零八十四平方呎），現已完成興建其平台部份。由於進一步改善住宅單位設計之工作現正進行，該項工程之預計完工日期已重訂於二零零五年上半年。

城市規劃委員會已於二零零三年八月底批准位於彩虹牛池灣發展項目之建築藍圖。短期內將與政府洽商補地價事宜。預計建築工程將於二零零四年動工。

於本年八月，本集團連同市區重建局與政府就位於堅尼地城嘉惠民道33號之住宅共同發展項目之補地價事項上已達成協議。建築工程將於二零零四年上半年展開。

Property Sales

All 104 residential units of The Bonham Mansion at 63 Bonham Road, Mid-levels, Hong Kong were launched to the market in July 2003 after undergoing a major renovation program. Due to the building's unique location in Mid-levels, Hong Kong, and its proximity to high quality schools, the offer of the units has been well received.

Property Development

Of the four wholly-owned properties under development, construction of the single residential towers at 12 North Street, Kennedy Town (gross floor area: about 34,365 sq. ft.) and 377 Prince Edward Road West, Kowloon City (gross floor area: about 54,876 sq. ft.) is scheduled to complete by the end of 2003 and early 2004 respectively.

Construction of the podium of the deluxe residential tower (gross floor area: about 128,084 sq. ft.) at 31 Robinson Road, Mid-levels has been completed. As further design improvement for the residential units is underway, the tentative completion of the project has been rescheduled to the first half of 2005.

The development plan for the project in Ngau Chi Wan, Choi Hung was approved by the Town Planning Board at the end of August 2003. Negotiation with the Government on the land premium will commence shortly. Site works are scheduled to commence in 2004.

In August this year, the Group together with Urban Renewal Authority agreed with the Government on the land premium for the joint venture residential development project at 33 Ka Wai Man Road, Kennedy Town. Site works are expected to commence in the first half of 2004.

物業管理

於二零零三年六月三十日，本集團之物業管理公司，康居物業管理有限公司，負責管理之物業組合增至約八十一萬六千平方呎。

證券投資

於二零零三年六月三十日，本集團於證券業務之總投資額為四億八千六百一十萬元（二零零二年六月三十日為一億三千一百三十萬元），當中三億九千萬元投資於一間由美國國會成立之機構（被穆迪及標準普爾評為Aaa/AAA級）所發行之票據。投資組合為集團提供之盈利增長至一千八百六十萬元（二零零二年為二百萬元）。

金融服務

回顧期內，九龍建業財務有限公司之借貸業務繼續為本集團帶來合理回報。

影片發行

金公主娛樂有限公司於二零零三年上半年錄得輕微虧損。由於最近成功訂定數份影片組合之發行合約，預期二零零三年下半年之業績將有所改善。

Property Management

As at 30 June 2003, the size of the portfolio being managed by the Group's property management arm, Country House Property Management Limited, increased to about 816,000 sq. ft.

Securities Investment

As at 30 June 2003, the Group had invested a total of \$486.1 million in securities (30 June 2002: \$131.3 million) of which \$390 million was invested in a note issued by a corporation established by the United States Congress and rated Aaa/AAA by Moody's and Standard & Poor's. The Group's portfolio of securities made an increased contribution of \$18.6 million for the period under review (2002: \$2 million).

Financial Services

During the period under review, the money-lending business of Kowloon Development Finance Limited has continued to provide the Group with a reasonable return.

Film Distribution

Golden Princess Amusement Company Limited suffered a slight loss during the first half of 2003. However, as additional distribution licences have been successfully concluded on a package basis recently, it is anticipated that an improved result will be seen in the second half of 2003.

皮鞋分銷及銷售

由本集團擁有百分之二十權益之Southern Success Corporation，其皮鞋批發及零售業務繼續為本集團帶來輕微盈利貢獻。

員工薪酬及培訓

於二零零三年六月三十日，本集團(不包括聯營公司)僱用約一百三十名員工。本集團為所有按個人表現及集團業績釐定薪酬之僱員提供醫療福利及退休計劃。本集團亦為僱員提供內部培訓課程及外部培訓機會，以鼓勵僱員持續發展及維持僱員之競爭力。

財務回顧

流動資金、財務資源及貸款

本集團於二零零三年六月三十日之銀行貸款總數為二十二億五千八百三十萬元，一年後償還之數額佔百分之八十五點三。

銀行貸款與股東權益比率由二零零二年十二月三十一日之百分之四十七上升至百分之七十一。銀行貸款之增加乃由於購入采文軒，支付集團發展項目之資本費用及增加證券投資所致。

所有銀行融資乃按浮動息率基準進行。本集團對處理存在之利率風險，乃按現時利率水平及前景而定。貨幣風險將不會對本集團構成重大影響。

Distribution and Sale of Footwear

The Group's 20% owned associate, Southern Success Corporation, has continued to make a small contribution to the Group's profit from its footwear wholesaling and retailing business.

Staff Remuneration and Training

At 30 June 2003, the Group (excluding associated companies) employed around 130 employees. The Group provides medical benefits and retirement schemes to all employees who are remunerated according to the performance of the individual employee and the Group. The Group also provides in-house training and external training opportunities to employees in order to promote their further development and maintain a competitive workforce.

FINANCIAL REVIEW

Liquidity, Financial Resources and Borrowings

The total bank borrowings of the Group as at 30 June 2003 were \$2,258.3 million with 85.3% being repayable after one year.

While the ratio of bank borrowings to shareholders' equity was 71% up from 47% at 31 December 2002, the increase in bank loans was attributable to the acquisition of The Bonham Mansion, capital expenditure on the Group's development projects and increase in securities investment.

All banking facilities are arranged on a floating rate basis. The Group manages its existing interest rate exposure based on current interest rate levels and outlook. The Group has insignificant exposure to currency risk.

承擔項目

於二零零三年六月三十日，本集團已簽訂合約之資本承擔為三百二十萬元而經批准但仍未簽訂合約之資本承擔為一千三百二十萬元。上述金額主要用於提升現有投資物業價值之裝修項目。

於二零零三年六月三十日，本集團於證券投資及發展中物業已簽訂合約之承擔分別為一億七千六百七十萬元及七千三百八十萬元。有關發展中物業經批准但仍未簽訂合約之承擔為三億六千四百萬元。

或然負債及資產抵押

本集團根據為聯營公司所經營之物業管理服務而訂立之履約保證，繼續向保險公司作出七百萬元之擔保。

於二零零三年六月三十日，總帳面值約為三十八億五千零三十萬元之物業及證券及四千一百六十萬元之定期存款已抵押予銀行以獲取銀行信貸額或作為證券投資之保證金存款。

Commitments

The Group had \$3.2 million of capital commitments contracted for and \$13.2 million of capital commitments authorized but not yet contracted for as at 30 June 2003. These sums are to be incurred mainly for upgrading and renovating the Group's existing investment properties.

As at 30 June 2003, the Group had contracted commitments of \$176.7 million and \$73.8 million respectively for investment in securities and properties under development. Commitments in respect of properties under development authorized but not contracted for were \$364 million.

Contingent Liabilities and Pledge of Assets

The Group has continued to provide guarantees in the amount of \$7 million to an insurance company in respect of performance bonds entered into by the associated companies engaged in the provision of property management services.

As at 30 June 2003, properties and securities with an aggregate carrying value of approximately \$3,850.3 million and time deposits of \$41.6 million were pledged to banks to secure banking facilities or as margin deposits for investments in securities.

前景

二零零三年上半年，世界性經濟放緩對香港經濟復甦繼續造成壓力。自三月份開始，非典型肺炎疫症更令香港經濟百上加斤，亦對地產市場造成負面影響。惟最近大幅增加之國內旅客及有關更緊密經貿關係安排之公佈，對信心產生刺激作用。

期望近期改善營商環境之跡象可持續及擴大，令整體香港經濟普遍受益，從而惠及地產市場。集團正繼續致力於建造優質樓宇，及提升轄下出租物業之質素及服務水平，務求為出租物業增值及維持出租率於一個高水平。

集團將積極而謹慎地繼續尋覓商機，冀為股東之投資增值及提升回報。

主席
柯為湘

香港，二零零三年九月十日

PROSPECTS

During the first half of 2003, the sluggish global economy continued to create pressure on the recovery of the economy of Hong Kong. Since March, the economy of Hong Kong has suffered another setback from the outbreak of SARS which also negatively affected the property market. However, the recent increase in Mainland tourists and the announcement of the Closer Economic Partnership Arrangement have revitalized confidence.

It is hoped that the recent signs of an improving business environment will continue and improve further to benefit the economy of Hong Kong in general and, in turn, the property market. The Group is continuing its focus on the development of high quality properties, enhancing the value of its investment properties by upgrading them and raising the standard of tenant service in order to maintain occupancy at a high level.

The Group will continually strive to pursue new business opportunities with prudence aiming to create additional value and returns to shareholders.

Or Wai Sheun
Chairman

Hong Kong, 10 September 2003

綜合收益計算表 CONSOLIDATED INCOME STATEMENT

(以港幣計算) (Expressed in Hong Kong dollars)

		截至六月三十日止六個月 Six months ended 30 June	
		二零零三年 2003 (未經審核) (Unaudited)	二零零二年 2002 (未經審核) (Unaudited) (重列) (Restated)
		\$'000	\$'000
	附註 Note		
營業額	Turnover	241,913	210,013
其他收入	Other revenue	2,951	6,678
折舊	Depreciation	(300)	(1,151)
員工成本	Staff costs	(14,841)	(16,054)
存貨成本	Cost of inventories	(117,913)	(87,668)
其他經營費用	Other operating expenses	(12,913)	(18,266)
經營盈利	Profit from operations	98,897	93,552
財務成本	Finance costs	(5,083)	(2,221)
所佔聯營公司 盈利減虧損	Share of profits less losses of associated companies	1,959	2,111
出售非買賣證券 投資之盈利	Profit on disposal of investment in non-trading securities	2,399	176
出售聯營公司之盈利	Profit on disposal of investment in an associated company	-	589
除稅前盈利	Profit before taxation	98,172	94,207
稅項	Taxation	(15,962)	(16,557)
除稅後盈利	Profit after taxation	82,210	77,650
少數股東權益	Minority interests	23	(685)
股東應佔盈利	Profit attributable to shareholders	82,233	76,965
應撥歸中期之股息	Dividends attributable to the interim period		
期末後宣派之中期股息 每股6仙 (二零零二年：5仙)	Interim dividend declared after the interim period end of 6 cents (2002 : 5 cents) per share	29,026	24,188
每股盈利	Earnings per share		
基本	Basic	17.0 cents	15.9 cents
攤薄	Diluted	N/A	15.9 cents

第14頁至第30頁之帳項附註屬本中期財務報告之一部份。

The notes on pages 14 to 30 form part of the interim financial report.

綜合資產負債表

CONSOLIDATED BALANCE SHEET

(以港幣計算) (Expressed in Hong Kong dollars)

			於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited)	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) (重列) (Restated)
	附註 Note		\$'000	\$'000
非流動資產		Non-current assets		
固定資產		Fixed assets		
– 投資物業		– Investment properties	2,994,000	3,031,800
– 其他物業、機械及設備		– Other property, plant and equipment	8,031	8,240
	8		3,002,031	3,040,040
未來發展土地		Land held for future development	15,494	15,445
土地及發展權益	9	Land and development rights	1,220,507	1,207,612
聯營公司權益		Interest in associated companies	29,713	29,734
證券投資	11	Investments in securities	389,930	47,329
各項貸款		Loans and advances	61,389	69,684
遞延稅項資產	12	Deferred tax assets	3,358	3,646
			4,722,422	4,413,490
流動資產		Current assets		
發展中物業		Properties under development	732,911	689,752
待售物業		Properties held for sale	178,958	10,601
營業應收帳款及其他應收款	13	Trade and other receivables	49,591	65,018
各項貸款		Loans and advances	98,714	73,935
持有至到期證券		Held-to-maturity securities	47,360	24,734
可買賣證券		Trading securities	48,803	39,369
定期存款(已抵押)		Time deposits (pledged)	41,550	–
現金及現金等價物		Cash and cash equivalents	5,784	18,942
			1,203,671	922,351
流動負債		Current liabilities		
營業應付帳款及其他應付款	14	Trade and other payables	327,255	418,578
銀行貸款及透支		Bank loans and overdrafts	331,458	326,680
應付稅項		Taxation	16,748	9,939
			675,461	755,197
流動資產淨值		Net current assets	528,210	167,154
資產總額減流動負債		Total assets less current liabilities		
轉次頁		carried forward	5,250,632	4,580,644

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited)	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) (重列) (Restated)
	附註 Note	\$'000	\$'000
資產總額減流動負債 承前	Total assets less current liabilities brought forward	5,250,632	4,580,644
非流動負債	Non-current liabilities		
銀行貸款	Bank loans	1,926,841	1,196,293
其他應付款	Other payables	119,077	122,836
遞延稅項負債	Deferred tax liabilities 12	19,531	16,143
		2,065,449	1,335,272
少數股東權益	Minority interests	1,410	2,183
資產淨值	NET ASSETS	3,183,773	3,243,189
資本及儲備金	CAPITAL AND RESERVES		
股本	Share capital	48,377	48,377
儲備金	Reserves 15	3,135,396	3,194,812
		3,183,773	3,243,189

董事會於二零零三年九月十日批准及授權發行。

Approved and authorized for issue by the board of directors on 10 September 2003.

第14頁至第30頁之帳項附註屬本中期財務報告之一部份。

The notes on pages 14 to 30 form part of the interim financial report.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(以港幣計算) (Expressed in Hong Kong dollars)

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
			(重列)
			(Restated)
		\$'000	\$'000
	附註		
	Note		
於一月一日之權益總值	Total equity at 1 January		
– 以往呈報	– as previously reported	3,248,609	3,146,250
– 採用會計實務準則 第12號之影響	– effect of adopting SSAP 12	15	(249)
		3,243,189	3,146,001
重估投資物業 (虧損)/盈餘	(Deficit)/Surplus on revaluation of investment properties	15	63,226
重估非買賣證券 投資盈餘	Surplus on revaluation of investment in non-trading securities	–	517
未確認於收益計算表 之淨(虧損)/收益	Net (losses)/gains not recognized in the income statement	(39,031)	63,743
今期淨盈利	Net profit for the period	82,233	76,965
於期內批准及派付 之上財政年度之股息	Dividends approved and paid in respect of the previous financial year	5(b)	(87,078)
出售非買賣證券投資 之重估盈餘轉往 收益計算表	Revaluation surplus transfer to income statement upon disposal of investment in non-trading securities	15	(404)
於六月三十日之權益總值	Total equity at 30 June	3,183,773	3,199,227

第14頁至第30頁之帳項附註屬本中期財務報告之一部份。

The notes on pages 14 to 30 form part of the interim financial report.

簡明綜合現金流量表

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(以港幣計算) (Expressed in Hong Kong dollars)

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		\$'000	\$'000
經營業務(所耗)／ 所得現金淨額	Net cash (used in)/from operating activities	(454,668)	34,811
投資項目所耗現金淨額	Net cash used in investing activities	(196,700)	(1,072,943)
融資項目所得現金淨額	Net cash from financing activities	638,210	1,042,671
現金及現金等價物 (減少)／增加淨額	Net (decrease) / increase in cash and cash equivalents	(13,158)	4,539
於一月一日現金 及現金等價物	Cash and cash equivalents at 1 January	18,942	18,835
於六月三十日現金 及現金等價物	Cash and cash equivalents at 30 June	5,784	23,374
現金及現金等價物 結餘分析	Analysis of the balances of cash and cash equivalents		
銀行存款及現金	Cash at bank and in hand	5,122	14,021
定期存款	Time deposits	662	9,353
		5,784	23,374

第14頁至第30頁之帳項附註屬本中期財務報告之一部份。

The notes on pages 14 to 30 form part of the interim financial report.

未經審核中期財務報告附註 NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(以港幣計算) (Expressed in Hong Kong dollars)

1 會計政策

本中期財務報告未經審核，惟經由畢馬威會計師事務所依據香港會計師公會頒佈之核數準則第700號「中期財務報告之審閱」而審閱。畢馬威會計師事務所致董事會之獨立審閱報告載於第31頁。此外，本中期財務報告經由本公司之審核委員會審閱。

本中期財務報告乃依據香港聯合交易所有限公司主板上市規則之規定，包括遵守由香港會計師公會頒佈會計實務準則第25號「中期財務報告」而編製。

載入中期財務報告中有關截至二零零二年十二月三十一日止年度之財務資料並不構成本公司於該財政年度之法定帳目，但卻由此等帳目衍生。核數師對彼等於二零零三年四月九日就帳目所作之報告並無保留意見。

中期財務報告已採納於二零零二年獲採納之相同會計政策，惟下列之會計政策乃根據香港會計師公會所頒佈會計實務準則規定予以變動，並適用於本公司之中期財務報告。

中期財務報告附註包括就二零零二年度帳目後對本集團之財務狀況及業績而言屬重大變動之事項及交易作出解釋。

1 ACCOUNTING POLICIES

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Society of Accountants (“HKSA”). KPMG’s independent review report to the board of directors is included on page 31. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, including compliance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the HKSA.

The financial information relating to the financial year ended 31 December 2002 included in the interim financial report does not constitute the Company’s statutory accounts for that financial year but is derived from those accounts. The auditors have expressed an unqualified opinion on those accounts in their report dated 9 April 2003.

The same accounting policies adopted in the 2002 annual accounts have been applied to the interim financial report except the following accounting policy which is changed as required by Statements of Standard Accounting Practice issued by the HKSA and applicable to the Company for the interim financial report.

The notes on the interim financial report include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2002 annual accounts.

遞延稅項

於過往年度，遞延稅項乃就收入及支出之會計及稅務處理方法之間，所有因重大時差產生而相當可能於可見未來實現之稅項影響，以負債法計提準備。除對其實現存有確定保證，遞延稅項資產不予以入帳。

由二零零三年一月一日起，為依從香港會計師公會編製之會計實務準則第十二號（經修訂），集團需為遞延稅項採用新會計政策。以稅基計算之資產值及負債值與其入帳之帳面值而產生之暫時性差別，乃按資產負債表負債方法作出全部遞延稅項準備。遞延稅項資產乃以未來可徵稅盈利能用作抵銷暫時性差別之幅度而予以確認。因採用此項會計政策，導致本集團於二零零三年六月三十日之資產淨值減少5,194,409元（二零零二年十二月三十一日：5,419,638元）及截至二零零三年六月三十日期間本集團股東應佔盈利增加225,229元（二零零二年六月三十日止：減少4,539,054元）。保留盈利期初結餘及過往期間之比較資料已因應此項新會計政策溯及既往而作出調整。

Deferred taxation

In prior years, deferred tax liabilities were provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which were expected with reasonable probability to crystallize in the foreseeable future. Deferred tax assets were not recognized unless their realization was assured beyond reasonable doubt.

With effect from 1 January 2003, in order to comply with SSAP 12 (revised) issued by the HKSA, the Group adopted a new policy for deferred tax. Deferred taxation is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. As a result of the adoption of this accounting policy, the Group's net assets at 30 June 2003 have been decreased by \$5,194,409 (at 31 December 2002: \$5,419,638) and the Group's profit attributable to shareholders for the period ended 30 June 2003 have been increased by \$225,229 (30 June 2002: decreased by \$4,539,054). The new accounting policy has been adopted retrospectively, with the opening balance of retained profits and the comparative information adjusted for the amounts relating to prior period.

2 分類資料

(a) 業務分類

2 SEGMENT INFORMATION

(a) Business segments

		集團營業額		經營盈利之貢獻	
		Group turnover		Contribution to	
		截至六月三十日止六個月		profit from operations	
		Six months ended 30 June		截至六月三十日止六個月	
		二零零三年	二零零二年	二零零三年	二零零二年
		2003	2002	2003	2002
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		\$'000	\$'000	\$'000	\$'000
持續經營	Continuing operations				
物業投資	Property investment	93,887	87,878	88,038	83,917
物業發展	Property development	1,697	85,894	(433)	10,740
證券投資	Investments in securities	132,614	20,877	18,579	2,040
電影發行	Film distribution	1,086	7,675	(263)	4,835
其他業務	Other business	12,629	4,938	4,504	974
		241,913	207,262	110,425	102,506
非持續經營	Discontinued operations				
買賣貨品	Trading of goods	-	2,751	-	(101)
		241,913	210,013	110,425	102,405
未分配集團支出	Unallocated group expenses			(11,528)	(8,853)
				98,897	93,552

(b) 地域分類

(b) Geographical segments

		集團營業額	
		Group turnover	
		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		\$'000	\$'000
香港	Hong Kong	222,843	196,974
歐洲	Europe	12,495	6,825
北美洲	North America	5,418	3,176
其他	Others	1,157	3,038
		241,913	210,013

因大部份經營盈利乃源自香港，地域分類對經營盈利所作之貢獻不作列明。

Contribution to profit from operations by geographical segments has not been presented as majority of the operating profit is derived in Hong Kong.

未經審核中期財務報告附註
Notes on the Unaudited Interim Financial Report

(以港幣計算) (Expressed in Hong Kong dollars)

3 除稅前盈利

除稅前盈利經扣除／(計入)下列各項：

(a) 財務成本

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		\$'000	\$'000
銀行貸款及透支利息	Interest on bank loans and overdrafts	18,668	11,107
減：撥充成本之數額 (附註)	Less: Amount capitalized (Note)	(12,275)	(7,925)
		6,393	3,182
減：歸類於其他營業費用之 利息費用	Less: Interest expense classified as other operating expenses	(1,310)	(961)
		5,083	2,221

附註：撥充成本之借貸成本乃按當時市場利率計算。

Note: Borrowing costs were capitalized at the prevailing market interest rates.

(b) 其他項目

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		\$'000	\$'000
除去費用後之營業租賃 所得之應收租金	Rental receivable under operating leases less outgoings	(85,547)	(82,972)
租金收入	Rental income	(93,887)	(87,878)
減：支出	Less: Outgoings	8,340	4,906
上市證券投資收入	Income from listed securities	(2,468)	(2,724)
非上市證券投資收入	Income from unlisted securities	(13,443)	(2,770)

3 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		\$'000	\$'000
銀行貸款及透支利息	Interest on bank loans and overdrafts	18,668	11,107
減：撥充成本之數額 (附註)	Less: Amount capitalized (Note)	(12,275)	(7,925)
		6,393	3,182
減：歸類於其他營業費用之 利息費用	Less: Interest expense classified as other operating expenses	(1,310)	(961)
		5,083	2,221

Note: Borrowing costs were capitalized at the prevailing market interest rates.

(b) Other items

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		\$'000	\$'000
除去費用後之營業租賃 所得之應收租金	Rental receivable under operating leases less outgoings	(85,547)	(82,972)
租金收入	Rental income	(93,887)	(87,878)
減：支出	Less: Outgoings	8,340	4,906
上市證券投資收入	Income from listed securities	(2,468)	(2,724)
非上市證券投資收入	Income from unlisted securities	(13,443)	(2,770)

4 稅項

列於綜合收益計算表內之稅項如下：

4 TAXATION

Taxation in the consolidated income statement represents:

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
			(重列)
			(Restated)
		\$'000	\$'000
期內預計應課稅之盈利 按課稅率 17.5% (二零零二年：16%) 之香港利得稅準備	Provision for Hong Kong profits tax at 17.5% (2002: 16%) on the estimated assessable profits of the period	11,507	10,124
遞延稅項 (附註12)	Deferred taxation (note 12)	3,676	5,725
		15,183	15,849
佔聯營公司之稅項	Share of associated companies' taxation		
– 香港	– Hong Kong	84	143
– 海外	– Overseas	695	565
		15,962	16,557

聯營公司之海外稅項乃根據個別區域之適當稅率作出準備。

Overseas taxation of the associated companies has been provided for at the applicable tax rates ruling in the respective jurisdictions.

5 股息

(a) 應撥歸中期之股息

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		\$'000	\$'000
期末後宣派之中期股息	Interim dividend declared after		
每股6仙(二零零二年: 5仙)	the interim period end of 6 cents		
	(2002: 5 cents) per share	29,026	24,188

於期末後宣派之中期股息並未於期末日
確認為負債。

The interim dividend declared after the interim period
end has not been recognized as a liability at the
interim period end date.

(b) 應撥歸上財政年度之股息，於期內獲批准及派付

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零零三年	二零零二年
		2003	2002
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
		\$'000	\$'000
於期內批准及派付之上財政 年度之末期股息每股20仙 (二零零二年: 18仙)	Final dividend in respect of the previous financial year, approved and paid during the interim period, of 20 cents		
	(2002: 18 cents) per share	96,754	87,078

(b) Dividends attributable to the previous financial year, approved and paid during the interim period

6 每股盈利

(a) 每股基本盈利

每股基本盈利乃按普通股股東應佔盈利82,233,087元(二零零二年: 76,964,485元(重列))及期內已發行之483,767,850股普通股(二零零二年: 483,767,850股普通股)計算。

(b) 每股攤薄盈利

二零零二年之每股攤薄盈利乃按普通股股東應佔之盈利76,964,485元(重列)及經調整已授出有攤薄性潛在普通股影響之購股權後之加權平均數484,068,561股普通股計算。所有尚未行使之購股權於直接控股公司Intellinsight Holdings Limited提出之無條件現金收購建議中以每股0.58元退還，並於二零零二年一月註銷。

於二零零三年六月三十日止六個月內本公司並無攤薄性潛在普通股股份，故無需呈列每股攤薄盈利。

(c) 股份數目

		於二零零三年 六月三十日 At 30 June 2003	於二零零二年 六月三十日 At 30 June 2002
用以計算每股基本盈利之 普通股股份數目	Number of ordinary shares used in calculating basic earnings per share	483,767,850	483,767,850
購股權對攤薄性潛在普通股 股份之影響	Effect of dilutive potential ordinary shares in respect of share options	-	300,711
用以計算每股攤薄盈利之 加權平均普通股股份數目	Weighted average number of ordinary shares used in calculating diluted earnings per share	483,767,850	484,068,561

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of \$82,233,087 (2002: \$76,964,485 restated) and 483,767,850 ordinary shares (2002: 483,767,850 ordinary shares) in issue during the period.

(b) Diluted earnings per share

In 2002, the calculation of diluted earnings per share was based on the profit attributable to ordinary shareholders of \$76,964,485 (restated) and the weighted average of 484,068,561 ordinary shares after adjusting for the effects of dilutive potential ordinary shares in respect of share options granted. All the outstanding share options were surrendered at a price of \$0.58 per share during the unconditional cash offer made by Intellinsight Holdings Limited, the immediate holding company of the Group, and were cancelled in January 2002.

No diluted earnings per share for the six months ended 30 June 2003 has been presented as the Company has no dilutive potential ordinary shares for the period.

(c) Number of shares

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7 收購附屬公司

於期內，本集團購入某公司之全部已發行股本及股東貸款。該間公司擁有位於香港某物業，總代價為157,500,000元。收購該公司之資產公平值之數額詳情如下：

		\$'000
收購資產淨值	Net assets acquired	
固定資產	Fixed assets	157,500
股東貸款	Shareholders' loans	(157,500)
支付資產淨值現金代價	Cash consideration paid for net assets	-
支付股東貸款現金代價	Cash consideration paid for shareholders' loan	157,500
二零零二年內支付收購 該附屬公司之按金	Deposits paid in 2002 for the acquisition of the subsidiary company	(15,750)
期內收購附屬公司所耗現金額	Cash outflow on acquisition of the subsidiary company during the period	141,750

8 固定資產

本集團之投資物業已由獨立專業測計師威格斯香港有限公司按潛在租金淨收入計算之公開市值於二零零三年六月三十日作出重估。

其他物業之成本值或重估值乃根據董事會之估值分為土地、樓宇及其他資產。

9 土地及發展權益

土地及發展權益乃指集團發展位於彩虹牛池灣物業權益。The Little Sisters of the Poor (亦稱為The Little Sisters) 已授予本集團獨家發展權。根據與The Little Sisters之發展協議，本集團須承擔進行發展之所有成本及開支，而作為交換本集團可享有落成物業之全部銷售款項。

7 ACQUISITION OF A SUBSIDIARY COMPANY

During the period, the Group acquired the entire issued share capital of and shareholders' loans of a company which owned a property in Hong Kong. The consideration paid was \$157,500,000. The fair value of assets of the company acquired were as follows:

8 FIXED ASSETS

The investment properties of the Group were revalued at 30 June 2003 by Vigers Hong Kong Limited, an independent firm of professional surveyors, on an open market value basis calculated by reference to net rental income allowing for reversionary income potential.

The cost or valuation of the other properties has been apportioned between land, buildings and other assets on the basis of estimates made by the directors.

9 LAND AND DEVELOPMENT RIGHTS

Land and development rights represents the Group's interest in the development of a property at Ngau Chi Wan, Choi Hung. The Group has been granted the exclusive right for the development by The Little Sisters of the Poor ("The Little Sisters"). Pursuant to the development agreement with The Little Sisters, the Group is responsible for bearing all costs and expenses of carrying out the development and in return, the Group is entitled to all sales proceeds derived from the completed development.

10 共同控制資產

本集團佔共同控制資產之總額確認於帳項內之分析如下：

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited) \$'000	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) \$'000
未來發展土地	Land held for future development	5,277	5,245
營業應收帳款及其他應收款	Trade and other receivables	1	1
		5,278	5,246

10 JOINTLY CONTROLLED ASSETS

The aggregate amounts recognized in the accounts relating to the Group's contribution to the jointly controlled assets were as follows:

11 證券投資

於二零零三年六月三十日之證券投資乃投資五千萬美元於一間由美國國會成立之機構(被穆迪及標準普爾評為Aaa/AAA級)所發行之十年期票據。除非票據發行人提前贖回，本集團屬意持有該票據直至二零一三年之到期日。

於二零零二年十二月三十一日之證券投資乃非買賣證券，該等投資已於二零零三年首六個月內售出。

11 INVESTMENTS IN SECURITIES

As at 30 June 2003, investments in securities represented an investment of US\$50 million in a 10 year note issued by a corporation established by the United States Congress and rated Aaa/AAA by Moody's and Standard & Poor's. The Group intends to hold the note until maturity in 2013 unless redeemed early by the note issuer.

Investments in securities as at 31 December 2002 represented non-trading securities which had been disposed of during the six months ended 30 June 2003.

12 遞延稅項

(a) 遞延稅項之變動包括：

12 DEFERRED TAXATION

(a) Movements in deferred taxation comprise:

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited) \$'000	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) (重列) (Restated) \$'000
遞延稅項資產／(負債)	Balance of deferred tax assets/(liabilities)		
於一月一日結餘	at 1 January		
－以往呈報	－ as previously reported	(7,077)	(6,619)
－採用會計實務準則 第12號之影響	－ effect of adopting SSAP12	(5,420)	(249)
－重列	－ as restated	(12,497)	(6,868)
收益計算表轉入(附註4)	Transfer from income statement (note 4)	(3,676)	(5,629)
遞延稅項資產／(負債)	Balance of deferred tax assets/(liabilities)		
於六月三十日(二零零二年： 十二月三十一日)結餘	at 30 June (2002: 31 December)	(16,173)	(12,497)

(b) 遞延稅項資產及負債之項目列報如下：

(b) *The components of deferred tax assets and liabilities are set out below:*

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited)	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) (重列) (Restated)
		\$'000	\$'000
稅項虧損之得益準備	Future benefit of tax losses	4,865	5,617
普通準備	General provision	1,122	615
折舊超過折舊免稅額	Depreciation charges in excess of depreciation allowances	-	9
稅例允許加速折舊	Accelerated depreciation allowances	(15,709)	(12,839)
物業重估	Properties revaluation	(6,451)	(5,899)
		(16,173)	(12,497)
遞延稅項資產	Deferred tax assets	3,358	3,646
遞延稅項負債	Deferred tax liabilities	(19,531)	(16,143)
		(16,173)	(12,497)

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13 營業應收帳款及其他應收款

營業應收款之帳齡分析如下：

13 TRADE AND OTHER RECEIVABLES

The following is an ageing analysis of trade receivables:

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited) \$'000	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) \$'000
未到期及逾期少於三個月	Current and overdue within 3 months	15,256	21,702
逾期三至六個月	Overdue between 3 to 6 months	3,147	660
逾期超過六個月	Overdue more than 6 months	5,058	1,752
營業應收帳款	Trade receivables	23,461	24,114
公用事業及其他按金	Utility and other deposits	1,692	17,240
其他應收帳款及預付款	Other receivables and prepayments	24,438	23,664
		49,591	65,018

本集團預期於一年後收回之公用事業及其他按金為905,486元(二零零二年十二月三十一日：899,816元)。

Utility and other deposits of the Group of \$905,486 (at 31 December 2002: \$899,816) are expected to be recovered after more than one year.

本集團之應收帳款及預付款5,743,096元(二零零二年十二月三十一日：6,937,716元)預期於一年後收回。

Debtors and prepayments of the Group of \$5,743,096 (at 31 December 2002: \$6,937,716) are expected to be recovered after more than one year.

本集團授予客戶之平均數期為三十日。

The Group allows an average credit period of 30 days to its trade customers.

14 營業應付帳款及其他應付款

營業應付款之帳齡分析如下：

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited) \$'000	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) \$'000
未到期或活期	Not yet due or on demand	32,186	50,419
到期少於三個月	Due less than 3 months	16,942	6,611
到期三至六個月	Due between 3 to 6 months	88	-
營業應付帳款	Trade payables	49,216	57,030
租務及其他按金	Rental and other deposits	36,517	37,612
出售物業所收訂金	Deposits received on sale of properties	1,373	-
其他應付帳款及應計費用	Other payables and accrued expenses	238,655	323,417
期權合約負債	Option contract liabilities	1,494	519
		327,255	418,578

本集團預期於一年後退還之租務及其他按金為34,749,539元(二零零二年十二月三十一日：36,344,260元)。

本集團預期於一年後償付之應付帳款及應計費用為1,827,999元(二零零二年十二月三十一日：2,647,904元)。

14 TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables:

	於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited) \$'000	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) \$'000
Rental and other deposits of the Group of \$34,749,539 (at 31 December 2002: \$36,344,260) are expected to be refunded after more than one year.		
Creditors and accrued expenses of the Group of \$1,827,999 (at 31 December 2002: \$2,647,904) are expected to be settled after more than one year.		

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(以港幣計算) (Expressed in Hong Kong dollars)

15 儲備金

15 RESERVES

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited)	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) (重列) (Restated)
		\$'000	\$'000
投資物業重估儲備金	Investment property revaluation reserve		
於一月一日結餘	Balance at 1 January	1,809,231	1,757,650
重估(虧損)/盈餘	Revaluation (deficit)/surplus	(39,031)	51,581
於六月三十日結餘(二零零二年： 十二月三十一日)	Balance at 30 June (2002: 31 December)	1,770,200	1,809,231
投資重估儲備金	Investment revaluation reserve		
於一月一日結餘	Balance at 1 January	(11,872)	(12,891)
重估虧損	Revaluation deficit	-	(7,880)
出售非買賣證券投資時 轉往收益計算表	Transfer to income statement upon disposal of investments in non-trading securities	(5,864)	4,899
先前撇除聯營公司 商譽之減值虧損 於收益計算表確認	Impairment loss on goodwill of an associated company previously charged off recognized in income statement	-	4,000
於六月三十日結餘(二零零二年： 十二月三十一日)	Balance at 30 June (2002: 31 December)	(17,736)	(11,872)
資本儲備金	Capital reserve	2,154	2,154
股本溢價帳	Share premium	9,971	9,971
保留盈利	Retained profits		
於一月一日結餘	Balance at 1 January		
— 以往呈報	— as previously reported	1,390,748	1,340,989
— 採用會計實務準則 第12號之影響	— effect of adopting SSAP12	(5,420)	(249)
— 重列	— as restated	1,385,328	1,340,740
於期內批准之上財政年度股息 (附註5(b))	Dividends approved in respect of the previous financial year (note 5(b))	(96,754)	(87,078)
本期間/年度盈利	Profit for the period/year	82,233	155,854
於本期間/年度宣派之股息 (附註5(a))	Dividends declared in respect of the current period/year (note 5(a))	-	(24,188)
於六月三十日結餘(二零零二年： 十二月三十一日)	Balance at 30 June (2002: 31 December)	1,370,807	1,385,328
		3,135,396	3,194,812

16 資本承擔

於結算日，未經作出備付於帳項內之資本承擔如下：

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited) \$'000	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) \$'000
已簽訂合約者	Contracted for	3,247	141,750
經批准但仍未簽訂合約者	Authorized but not contracted for	13,177	-

16 CAPITAL COMMITMENTS

Capital commitments outstanding at the balance sheet date not provided for in the accounts were as follows:

17 承擔項目

於結算日，未經作出備付於帳項內之承擔項目如下：

		於二零零三年 六月三十日 At 30 June 2003 (未經審核) (Unaudited) \$'000	於二零零二年 十二月三十一日 At 31 December 2002 (經審核) (Audited) \$'000
已簽訂合約者	Contracted for		
— 證券投資	— investment in securities	176,716	-
— 發展中物業	— properties under development	73,808	81,299
		250,524	81,299
經批准但仍未簽訂合約者	Authorized but not contracted for		
— 發展中物業	— properties under development	364,031	405,720

17 COMMITMENTS

Commitments outstanding at the balance sheet date not provided for in the accounts were as follows:

18 或然負債

於二零零三年六月三十日，本集團為聯營公司訂立之履約保證，已向保險公司作出6,952,000元(二零零二年十二月三十一日：6,952,000元)之擔保。

19 資產抵押

於二零零三年六月三十日，本集團之物業及證券總帳面值約3,850,266,000元(二零零二年十二月三十一日：3,376,564,000元)及41,550,000元(二零零二年十二月三十一日：無)之定期存款抵押予銀行以獲取授予本集團之一般銀行信貸額或作為證券投資之保證金。

20 主要關連人士交易

- (a) 本公司之最終控股公司Polytec Holdings International Limited就本集團於發展協議所需之責任作出履約保證之承擔(附註9)。
- (b) 為聯營公司所作出之履約保證披露於附註18。

21 比較數字

如中期財務報告附註1所載之會計政策變動，比較數字已予以重列。

22 批准中期財務報告

董事會於二零零三年九月十日批准本中期財務報告。

18 CONTINGENT LIABILITIES

At 30 June, 2003 the Group has given guarantees to an insurance company in respect of performance bonds entered into by certain associated companies to the extent of \$6,952,000 (at 31 December 2002: \$6,952,000).

19 PLEDGE OF ASSETS

At 30 June 2003, properties and securities of the Group with an aggregate carrying value of approximately \$3,850,266,000 (at 31 December 2002: \$3,376,564,000) and time deposits of \$41,550,000 (at 31 December 2002: Nil) were pledged to banks to secure banking facilities or as margin deposits for investments in securities.

20 MATERIAL RELATED PARTY TRANSACTIONS

- (a) Polytec Holdings International Limited, the Company's ultimate holding company has guaranteed the due performance of the Group in respect of its obligations under the development agreement as stated in note 9.
- (b) Guarantees in respect of performance bonds provided for certain associated companies were disclosed in note 18.

21 COMPARATIVE FIGURES

Comparative figures have been restated as a result of the change in accounting policy as set out in note 1 in the interim financial report.

22 APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved by the board of directors on 10 September 2003.

致九龍建業有限公司董事會 之獨立審閱報告

引言

本核數師(以下簡稱「我們」)已審閱 貴公司刊於第9頁至第30頁之中期財務報告。

董事與核數師之責任

根據《香港聯合交易所有限公司證券上市規則》(「上市規則」)，上市公司必須以符合上市規則中相關之規定及香港會計師公會所頒佈之《會計實務準則》第25號「中期財務報告」之規定編製中期財務報告。中期財務報告由董事負責，並由董事核准通過。

我們之責任是根據我們審閱工作之結果，對中期財務報告提出獨立結論，並按照我們雙方所協定之應聘條款，只向作為法人團體之董事會報告。除此以外，我們之報告書不可用作其他用途。我們概不就本報告書之內容，對任何其他人士負責或承擔法律責任。

審閱工作

我們是按照香港會計師公會所頒佈之《核數準則》第700號「中期財務報告之審閱」進行審閱。審閱工作主要包括向集團管理層作出查詢及分析中期財務報告，評估財務報告中會計政策是否貫徹運用，帳項編列是否一致；帳項中另有說明之特別情況則除外。審閱不包括控制測試及資產、負債和交易驗證等審核程序。由於審閱之範圍遠較審核小，所給予之保證程度也較審核低，因此我們不會對中期財務報告發表審核意見。

結論

根據這項不構成審核之審閱工作，我們並沒有察覺截至二零零三年六月三十日止六個月之中期財務報告需要作出任何重大之修訂。

畢馬威會計師事務所

執業會計師

香港，二零零三年九月十日

INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF KOWLOON DEVELOPMENT COMPANY LIMITED

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 9 to 30.

Respective responsibilities of directors and auditors

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 the relevant provisions thereof and Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. 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 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of group 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 30 June 2003.

KPMG

Certified Public Accountants

Hong Kong, 10 September 2003

其他資料 OTHER INFORMATION

購股權計劃

鑒於香港聯合交易所有限公司證券上市規則（「上市規則」）第17章於二零零一年生效之各項修訂，股東已於二零零三年五月二十一日召開之股東特別大會上決議通過終止於二零零零年六月十九日採納之購股權計劃及採納新購股權計劃（「新購股權計劃」）。新購股權計劃已符合修訂後上市規則第17章之所有有關條款。而於二零零零年六月十九日採納之購股權計劃授予之所有購股權現已失效或註銷。

根據新購股權計劃之條款，本公司可於二零零三年五月二十一日起之十年內以一元之代價向個別合資格人士授出購股權以認購本公司股份。合資格人士包括任何董事會認為其對本集團或由本集團持有股權權益之任何機構（「投資機構」）之成長及發展已經或可能作出貢獻之僱員、董事、供應商、客戶、業務夥伴或業務聯繫人、買賣經紀、顧問或諮詢人、持有由本集團任何成員公司發行之證券或投資機構所發行之證券之人士。本公司相信新購股權計劃可使合資格人士與股東之利益一致，從而獎勵合資格人士。根據新購股權計劃，本公司可發行合共48,376,785股股份，相等於本公司於採納新購股權計劃當日已發行股份總數之百分之十。

於新購股權計劃下，股份之認購價將由董事會釐定，惟認購價不得少於下列者之最高價(i)於購股權授出日期本公司股份在聯交所當日報價表所列之收市價；(ii)緊接授出購股權日期前連續五個營業日本公司股份在聯交所報價表所列之平均收市價及(iii)本公司股份之面值。

SHARE OPTION SCHEME

Due to changes made to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in 2001, shareholders resolved at the extraordinary general meeting of the Company held on 21 May 2003 to terminate the share option scheme adopted by the Company on 19 June 2000 and to adopt a new share option scheme (the "New Share Option Scheme") which complies with all relevant provisions of the amended Chapter 17 of the Listing Rules. All options granted under the share option scheme adopted by the Company on 19 June 2000 have either lapsed or been cancelled.

Pursuant to the terms of the New Share Option Scheme, the Company may grant, for a consideration of \$1.00 for each grant, options within 10 years from 21 May 2003 to Eligible Persons to subscribe for shares of the Company. Eligible Persons include any employee, director, supplier, customer, business partner or business associate, trading agent, consultant or adviser, holder of any securities issued by any member of the Group or any entity in which the Group holds an equity interest ("Invested Entity") of any member of the Group or any Invested Entity who, in the discretion of the Board of Directors, has contributed or will contribute to the growth and development of the Group or any Invested Entity. It is believed that the New Share Option Scheme will provide incentives to Eligible Persons by aligning their interests with that of the shareholders. The total number of shares which may be issued pursuant to the New Share Option Scheme is 48,376,785 shares, being 10% of the total number of shares of the Company in issue as at the date of approval of the New Share Option Scheme.

The subscription price of the shares under the New Share Option Scheme will be determined by the Board but shall not be less than the highest of (i) the closing price of the Company's share as stated in the Stock Exchange's daily quotation on the date of the offer; (ii) the average closing price of the Company's share as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of offer and (iii) the nominal value of the Company's share.

根據新購股權計劃及本公司任何其他購股權計劃（如有），已授出但尚未行使之購股權於行使時所涉及之股份總數不得超過本公司不時之已發行股份百分之三十。

行使購股權之期限由董事會釐定，惟該段期間不得遲於購股權授出及接納日期後十年。自採納新購股權計劃以來，因無授出購股權予任何人士，根據上市規則，無須作出任何披露。

公司管治

審核委員會

本中期業績經由審核委員會審閱，其成員包括李國星先生（主席）、司徒振中先生、陸恭正先生及楊國光先生，大部份均為獨立非執行董事。審核委員會於每年之四月及九月均舉行會議以考慮本集團之周年業績及中期業績並對本集團之財政匯報程序、運作與內部監控作出審查。

遵守最佳應用守則

並無任何董事知悉任何資料足以合理地指出本公司於二零零三年六月三十日止六個月之任何時間，曾不遵守上市規則附錄十四之規定。

購買、出售或贖回股份

本公司或其任何附屬公司於二零零三年六月三十日止六個月內並無購買、出售或贖回本公司之股份。

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes, if any, of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

The exercise period of any option granted under the New Share Option Scheme shall be determined by the Board and such period shall not be more than 10 years commencing on the date on which the option is granted and accepted. No option has been granted under the New Share Option Scheme to any person since its adoption as required to be disclosed under the Listing Rules.

CORPORATE GOVERNANCE

Audit Committee

These interim results have been reviewed by the Audit Committee which comprises of Mr Li Kwok Sing, Aubrey (Chairman), Mr Seto Gin Chung, John, Mr Lok Kung Chin, Hardy and Mr Yeung Kwok Kwong, a majority of whom being Independent Non-executive Directors. The Audit Committee met in April and September every year to consider the Group's annual and interim results and to review the effectiveness of the Group's financial reporting process as well as operational and internal controls.

Compliance with the Code of Best Practice

None of the Directors is aware of any information that would reasonably indicate that the Company was not in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, at any time during the six months ended 30 June 2003.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's shares during the six months ended 30 June 2003.

其他資料
Other Information

股份、相關股份及債權證之權益及淡倉

董事及最高行政人員

於二零零三年六月三十日，根據證券及期貨條例第XV部(第352條)所設存之董事及最高行政人員權益及淡倉登記冊中，董事及最高行政人員持有本公司及其他相聯法團之股份、相關股份或債權證之記錄如下：

INTERESTS AND SHORT POSITIONS IN SHARES,
UNDERLYING SHARES AND DEBENTURES

Directors and Chief Executives

As at 30 June 2003, the interests and short positions of Directors and chief executives in the shares, underlying shares and debentures of the Company or any associated corporation as recorded in the register required to be kept under Part XV (s.352) of the Securities and Futures Ordinance were as follows:

每股港幣一角之本公司股份

Shares of HK\$0.10 each in the capital of the Company

董事姓名 Name of Director	好倉 Long position	淡倉 Short position	佔已發行股份 總數之百分比 Percentage of total issued share	附註 Note
柯為湘 Or Wai Sheun	353,023,083	—	72.97%	1
吳志文 Ng Chi Man	352,838,083	—	72.94%	2
譚希仲 Tam Hee Chung	1,500,000	—	0.31%	3
黎家輝 Lai Ka Fai	200,000	—	0.04%	4
楊國光 Yeung Kwok Kwong	100,000	—	0.02%	4
Keith Alan Holman	100,000	—	0.02%	4

附註：

1. 持有352,838,083股之Intellinsight Holdings Limited由一酌情家族信託全資擁有，而柯為湘先生為該信託之成立人。柯先生及其家族成員為該信託之受益人。此等股份與吳志文女士所披露之權益屬相同權益。

China Dragon Limited持有185,000股並由柯為湘先生全資擁有。

2. 吳志文女士為柯為湘先生之配偶，彼透過於柯氏家族信託之權益擁有352,838,083股。此等股份亦包括於柯為湘先生所披露之權益內。
3. 譚希仲先生為500,000股之實益擁有人，而1,000,000股則由譚希仲產業測計師有限公司所持有。譚希仲先生持有譚希仲產業測計師有限公司已發行股本百分之四十八。
4. 股份由個別董事以實益擁有人身份持有。

於回顧期內，本公司、其任何控股公司、附屬公司或同集團附屬公司並未作出任何安排，使董事或任何彼等之配偶或十八歲以下子女可藉收購本公司或其他公司之股份或債權證以獲得利益。

Notes:

1. Intellinsight Holdings Limited held 352,838,083 shares and is ultimately wholly-owned by a discretionary family trust of which Mr Or Wai Sheun is the founder. Mr Or and his family members are beneficiaries of the trust. These shares represented the same interest as disclosed by Ms Ng Chi Man.

China Dragon Limited held 185,000 shares and is wholly-owned by Mr Or Wai Sheun.

2. Ms Ng Chi Man is the spouse of Mr Or Wai Sheun. Ms Ng is interested in 352,838,083 shares through her interest in a family trust of the Or family. These shares are also included in the interest disclosed by Mr Or Wai Sheun.
3. 500,000 shares were held by Mr Tam Hee Chung as beneficial owner, while 1,000,000 shares were held by Larry H.C. Tam & Associates Limited. 48% of the issued share capital of Larry H.C. Tam & Associates Limited is held by Mr Tam.
4. Shares were held by the respective Directors in their capacity as beneficial owner.

At no time during the period under review was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors 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.

其他資料
Other Information**主要股東及其他人士**

於二零零三年六月三十日，根據證券及期貨條例第XV部(第336條)所設存之股份權益及淡倉登記冊之記錄，除董事及最高行政人員外，持有本公司之股份或相關股份之權益及淡倉之人士如下：

Substantial shareholders and other persons

As at 30 June 2003, the interests and short positions of persons, other than Directors and chief executives in the shares and underlying shares of the Company as recorded in the register required to be kept under Part XV (s.336) of the Securities and Futures Ordinance were as follows:

每股港幣一角之本公司股份

Shares of HK\$0.10 each in the capital of the Company

股東姓名 Name of Shareholder	好倉 Long position	淡倉 Short position	佔已發行股份 總數之百分比 Percentage of total issued shares	附註 Note
滙豐國際信託有限公司 HSBC International Trustee Limited	353,933,433	—	73.16%	1
The Or Family Trustee Limited Inc	352,838,083	—	72.94%	1&2
Polytec Holdings International Limited	352,838,083	—	72.94%	1&2
Intellinsight Holdings Limited	352,838,083	—	72.94%	1&2

附註：

Notes:

- 滙豐國際信託有限公司以若干由其管理之酌情信託基金之受託人身份持有353,933,433股，當中已包括The Or Family Trustee Limited Inc、Polytec Holdings International Limited及Intellinsight Holdings Limited披露之352,838,083股。
 - Intellinsight Holdings Limited為Polytec Holdings International Limited之全資附屬公司，而Polytec Holdings International Limited乃由若干受益人為柯為湘先生及其家族成員之信託全資擁有。該等信託之受託人為The Or Family Trustee Limited Inc及滙豐國際信託有限公司。
- 353,933,433 shares were held by HSBC International Trustee Limited as trustee of certain discretionary trusts that it manages and included the 352,838,083 shares disclosed by The Or Family Trustee Limited Inc, Polytec Holdings International Limited and Intellinsight Holdings Limited.
 - Intellinsight Holdings Limited is a wholly-owned subsidiary of Polytec Holdings International Limited, which is in turn wholly-owned by certain trusts of which Mr Or Wai Sheun and his family members are beneficiaries. The trustees of the trusts are The Or Family Trustee Limited Inc and HSBC International Trustee Limited.

董事會

柯為湘 (主席)

Keith Alan Holman (副主席)

吳志文 (執行董事)

黎家輝 (執行董事)

譚希仲 (非執行董事)

楊國光 (非執行董事)*

周湛樂 (獨立非執行董事)

司徒振中 (獨立非執行董事)*

陸恭正 (獨立非執行董事)*

李國星 (獨立非執行董事)*

* 審核委員會成員

BOARD OF DIRECTORS

Or Wai Sheun, *Chairman*

Keith Alan Holman, *Deputy Chairman*

Ng Chi Man, *Executive Director*

Lai Ka Fai, *Executive Director*

Tam Hee Chung, *Non-executive Director*

Yeung Kwok Kwong, *Non-executive Director* *

Chau Cham Son, *Independent Non-executive Director*

Seto Gin Chung, John, *Independent Non-executive Director* *

Lok Kung Chin, Hardy, *Independent Non-executive Director* *

Li Kwok Sing, Aubrey, *Independent Non-executive Director* *

* *Members of Audit Committee*

公司秘書

衛玉馨

COMPANY SECRETARY

Wai Yuk Hing, Monica

核數師

畢馬威會計師事務所

AUDITORS

KPMG

股份登記處

香港中央證券登記有限公司

香港灣仔皇后大道東一八三號

合和中心十七字樓

一七一二至六號舖

REGISTRARS

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Hong Kong

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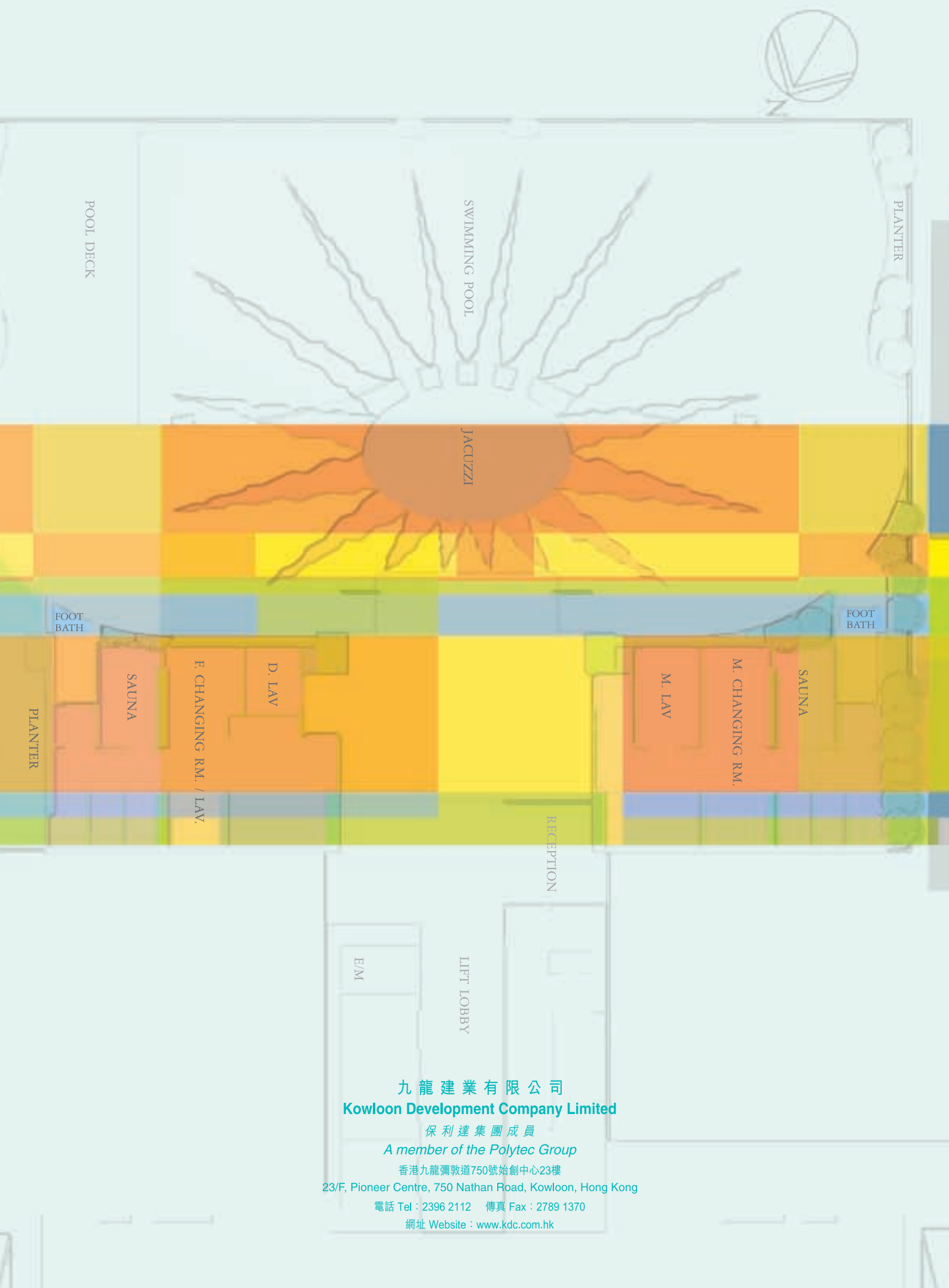
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股票代號

香港聯合交易所：34

STOCK CODE

The Hong Kong Stock Exchange: 34



POOL DECK

SWIMMING POOL

PLANTER

JACUZZI

FOOT BATH

FOOT BATH

PLANTER

SAUNA

F. CHANGING RM. / LAV.

D. LAV

M. LAV

M. CHANGING RM.

SAUNA

RECEPTION

LIFT LOBBY

E/M

九龍建業有限公司
Kowloon Development Company Limited

保利達集團成員

A member of the Polytec Group

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