



北京發展(香港)有限公司
BEIJING DEVELOPMENT (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

**SUMMARISED INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2003**

HIGHLIGHTS

- Turnover increased by 25% to HK\$202,691,000.
- Profit from operating activities increased by 131% to HK\$14,753,000.
- Net profit attributable to shareholders increased by 153% to HK\$8,125,000.
- Basic earnings per share amounted to 1.75 HK cents.
- The Directors has resolved not to declare any interim dividend.

RESULTS

The board of directors (the "Directors") of Beijing Development (Hong Kong) Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2003, together with the comparative figures for the corresponding period in the previous year.

	Notes	Six months ended 30 June 2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
TURNOVER	3	202,691	162,661
Cost of sales		(101,801)	(84,098)
Gross profit		100,890	78,563
Interest income		453	619
Other revenue and gains		471	245
Selling and distribution costs		(57,544)	(52,829)
Administrative expenses		(20,194)	(14,074)
Other operating expenses		(9,323)	(6,127)
PROFIT FROM OPERATING ACTIVITIES	4	14,753	6,397
Finance costs	5	(3,284)	(2,514)
Share of profits and losses of:			
Associates		(333)	(405)
Jointly-controlled entities		343	—
Amortisation of goodwill on acquisition of a jointly-controlled entity		(225)	—
PROFIT BEFORE TAX	6	11,254	3,478
Tax		(157)	(575)
PROFIT BEFORE MINORITY INTERESTS		11,097	2,903
Minority interests		(2,972)	304
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		8,125	3,207
EARNINGS PER SHARE — Basic (HK cents)	7	1.75	0.72
— Diluted (HK cents)	7	N/A	0.72

Notes:

1. Basis of preparation and accounting policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and have been reviewed by the Company's independent auditors, Ernst & Young.

The principal accounting policies and basis of preparation adopted in preparing these condensed consolidated interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2002, except that the Group has adopted the SSAP 12 (Revised) "Income Taxes" which is effective for accounting periods commencing on or after 1 January 2003. The adoption of the SSAP 12 (Revised) has had no material effect on these condensed consolidated interim financial statements.

2. Segment information

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

- information technology segment
- restaurants segment
- property investment segment
- corporate segment

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following table presents revenue, profit and certain expenditure information for the Group's business segments:

(Unaudited)	Information technology		Property investment		Corporate		Eliminations		Consolidated	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Segment revenue:										
Sales to external customers	107,478	62,898	92,088	96,235	3,125	3,528	—	—	—	202,691
Intersegment sales	—	—	—	—	540	516	—	—	—	162,661
Total	107,478	62,898	92,088	96,235	3,665	4,044	—	(540)	(516)	202,691
Segment results	26,306	6,913	(5,940)	2,314	1,813	2,403	—	—	—	22,179
Interest income							453	619		
Unallocated corporate expenses							(7,879)	(5,852)		
Profit from operating activities							14,753	6,397		
Finance costs							(3,284)	(2,514)		
Share of profits and losses of:										
Associates	(274)	—	—	—	(59)	(405)	—	—	—	(333)
Jointly-controlled entities	343	—	—	—	—	—	—	—	—	343
Amortisation of goodwill on acquisition of a jointly-controlled entity	(225)	—	—	—	—	—	—	—	—	(225)
Profit before tax							11,254	3,478		
Tax							(157)	(575)		
Profit before minority interests							11,097	2,903		
Minority interests							(2,972)	304		
Net profit from ordinary activities attributable to shareholders							8,125	3,207		
Other segment information:										
Depreciation	1,749	984	5,626	2,993	178	170	693	697	—	8,246
Amortisation	8,174	7,070	—	—	—	—	—	—	—	4,844
							—	—	—	8,174
							—	—	—	7,070

3. Turnover

Revenue from the following activities has been included in the Group's turnover:

Notes	Six months ended 30 June 2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
Construction contracts	47,944	53,841
Rendering of services	59,534	9,057
Receipts from restaurant operations	91,758	94,623
Gross rental income	3,125	3,528
Sales of dried seafood	330	1,612
	202,691	162,661

4. Profit from operating activities

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

Notes	Six months ended 30 June 2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
Depreciation	8,246	4,844
Amortisation of goodwill	(i) 7,006	6,127
Negative goodwill recognised as income during the period	(ii) (104)	—
Amortisation of intangible assets	(iii) 943	943
Loss/(gain) on disposal of fixed assets	420	(245)
Net rental income	—	(2,567)
	—	(2,081)

Notes:

- (i) The amortisation of goodwill is included in "Other operating expenses" on the face of condensed consolidated profit and loss account.
- (ii) The negative goodwill recognised as income during the period is included in "Other revenue and gains" on the face of condensed consolidated profit and loss account.
- (iii) The amortisation of intangible assets is included in "Cost of sales" on the face of condensed consolidated profit and loss account.