

**Report on an Investigation into
Possible Contraventions of
Securities (Insider Dealing) Ordinance and
Securities (Disclosure of Interests) Ordinance
in relation to the Trading of
Shares in Crownhampton International Limited**

**Hong Kong
February 1998**

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**Report on an investigation into possible contraventions of
Securities (Insider Dealing) Ordinance and
Securities (Disclosure of Interests) Ordinance in relation to
the trading of shares in Crownhampton International Limited**

Introduction

1. This report sets out the results of our investigation conducted under section 33 of the Securities and Futures Commission Ordinance ("SFCO") into possible contraventions of the Securities (Insider Dealing) Ordinance ("SIDO") and the Securities (Disclosure of Interests) Ordinance ("SDIO") in the trading of shares of Crownhampton International Limited ("Crownhampton"), now renamed Sum Cheong International Limited, during the period 1 August to 19 October 1993.
2. A draft of the report was circulated to known relevant parties for their comments. The comments of those who responded have been incorporated in a revised draft, which was again circulated. Details of those who were sent the draft reports are at Annex 1.



Background

3. Crownhampton was first listed on the Stock Exchange of Hong Kong Limited in 1988. Its principal business was in Singapore and includes construction, rental and service of heavy equipment, trading, manufacturing and contract mining. (In January and February 1996, the substantial shareholders of Crownhampton were changed, resulting in the replacement of all former directors.)
4. During August and September 1993, the shares of Crownhampton traded stably, at around HK\$1 per share with an average daily turnover of about 3 million shares. On 5 October 1993, the price closed at HK\$1.05.

5. Starting from 6 October 1993, the share price rose rapidly from HK\$1.05 to close at HK\$1.51 on 19 October 1993, an increase of 43.8%, on increased average daily turnover of about 10 million shares. During the same period, the Hang Seng Index only gained 992 points, an increase of 12.6%.
6. On 20 October 1993, Crownhampton publicly announced its final results for the year ended 30 June 1993. This showed a profit of HK\$56 million, a 250% increase over the profit for the previous year. The favourable announcement had minimal effect on the share price of Crownhampton, which traded in the range of HK\$1.45 to HK\$1.62 for the rest of October 1993.
7. According to Crownhampton's annual report for 1993, about 90% of Crownhampton's operating profits stemmed from Sum Cheong Piling Private Limited ("Sum Cheong Piling") and Sum Cheong Machinery Private Limited, wholly-owned subsidiaries of Crownhampton incorporated in Singapore and carrying on business in Singapore.
8. According to Moore Stephens, auditors of Crownhampton's Singapore operations, they commenced their audit for the year ended 30 June 1993 on 10 June 1993 and furnished draft accounts of Crownhampton's Singapore operations (principally Sum Cheong Piling) to Crownhampton and its Hong Kong auditors, Fan Mitchell & Co, between 28 September to 1 October 1993 (see extract of letter dated 20 January 1994 from Moore Stephens at Annex 2). The exceptionally good profits of Sum Cheong Piling would have been clear to a small group of people from at least this point in time. The 43.8% increase in the price of Crownhampton shares took place shortly afterwards, i.e. from 6 to 19 October 1993.
9. Even before 28 September 1993, the good performance of Sum Cheong Piling would have been clear to the management of Sum Cheong Piling. According to its Finance Director, Mr Tan Hong Woon, the Accounting Department of Sum Cheong Piling prepared monthly management accounts of the company. These accounts, which also showed monthly cumulative figures, were normally available about four to five weeks after each month end to any director of the company.
10. As can be seen from the management accounts at Annex 3 (Sum Cheong Piling Balance Sheet as at 30 June 1993 and Profit & Loss Accounts for the 12 months ended 30 June 1993), the profit attributable to shareholders before extraordinary items for the year ended 30 June 1993 was S\$7,656,217.24 (about HK\$42 million at an exchange rate of, say 5.5), which formed 75% of Crownhampton's HK\$56 million profits for that year. These profit figures, albeit unaudited, were significantly higher than the previous year's and would have been available to the management of Sum Cheong Piling by early August 1993.
11. In view of the above circumstances, enquiry letters pursuant to section 31 of the SFCO were issued by the SFC in November 1993 to certain brokers in Hong Kong requiring information as to the clients who traded Crownhampton shares during the period 6 October to 29 October 1993.
12. The major purchases of Crownhampton shares conducted by the brokers during the period 6 October 1993 to 19 October 1993 were:

Name of Hong Kong broker	Name of Singapore broker/client	No. of Crownhampton shares bought
DBS Securities (HK) Ltd	OUB Securities Pte Ltd	13,500,000

("OUB")		
OCBC Securities (Hong Kong) Ltd ("OCBC Hong Kong")	OCBC Securities Pte Ltd ("OCBC Singapore")	5,229,000
Pacific Foundation Securities Ltd	Uniworld Development Ltd	3,650,000
Sassoon Securities Ltd	J M Sassoon & Co Pte Ltd Christopher Ng	1,600,000 750,000
Shanghai Hong Kong International Securities Ltd	Tan Lee Hong, Iris Ong & Co Pte Ltd	950,000 316,000
Asia Equity Ltd	Keppel Securities Pte Ltd	500,000
	Total	26,495,000

13. The above accounted for about 30% of the trading volume for the shares during the period.

14. The information from the brokers indicate that the clients could be grouped into two broad categories, i.e. clients with Singapore addresses who placed orders directly to the Hong Kong brokers, and clients who traded through the Singapore affiliates of the Hong Kong brokers.

15. As there was reason to suspect that insider dealing for the purposes of the SIDO might have taken place in the shares of Crownhampton, the SFC issued a Direction, pursuant to section 33(1) of the SFCO, on 3 February 1994 appointing us to investigate insider dealing which might have taken place in the shares of Crownhampton during or around the period 29 September 1993 to 19 October 1993.



The Investigation

16. Following our appointment, we sent enquiry letters to the Singapore brokers requesting them to provide information as to the identity of their clients.

17. Apart from some initial assistance provided by OUB and OCBC Singapore as set out below, these Singapore brokers either did not reply to our request or declined to provide the information requested.

18. OUB initially replied that the shares had been bought on behalf of two clients namely, Mr Ong Tze Guan ("Mr Ong") and Mr Tsao Yue Hwa. It also disclosed that Mr Ong was, at the

material time, the assistant to Mr Teo Beng Teck, the General Manager of Sum Cheong Piling, which generated the bulk of Crownhampton's operating profits for the year 1993. However, OUB later stated that it was unable to provide further assistance in relation to the two clients' trades as they had declined to give permission to disclose the information requested to us.

19. In a letter in January 1995 responding to our enquiries about his trading history regarding Crownhampton shares, Mr Ong, who is resident in Singapore, provided details of his purchases of 12 million Crownhampton shares from 8 to 19 October 1993 through OUB. In the letter, Mr Ong said that the purchases were intended to be long term investments and had been held until August 1994 when Overseas Union Bank's refusal to extend his margin facilities forced him to sell 42% of his holding.

20. In response to our further enquiries in February 1995, Mr Ong stated that at the time of purchasing the shares, he was not aware of the final results of Crownhampton for the year ended 30 June 1993 and that except for the S\$1.2 million (about 40% of the total purchase price) overdraft from Overseas Union Bank, the money used to settle the purchases was his own.

21. When, in November 1995, we invited Mr Ong to attend a voluntary interview with us in Singapore, he did not respond to our letter.

22. When providing comments on the draft of this report, Mr Ong pointed out that:

(a) the disclosure made in OUB's initial response to the SFC had been promptly authorised by him;

(b) the timing of his purchases in Crownhampton shares was completely fortuitous: at the time of purchasing the shares, he did not know the financial results of Crownhampton. He also did not know that the results were to be released on 19 October 1993 (published in newspapers on 20 October 1993);

(c) his purchases were bona fide long term investments in Crownhampton/Sum Cheong Piling because of his confidence in the fundamentals and prospects of the company. He held the shares for a period of some 10 months and only sold them because his bankers declined to extend his facilities and he decided to switch to alternative investment in an apartment; and

(d) he incurred a loss of HK\$1,790,770 or S\$325,595 in the transaction.

23. With regard to the purchase of Crownhampton shares by Ms Tan Lee Hong, Iris ("Ms Iris Tan"), we discovered from information in our possession that a substantial amount of the purchase price was funded by Mr Tan Hong Woon ("Mr Tan"), a Singapore resident and finance director of both Crownhampton and Sum Cheong Piling. The relationship between Ms Iris Tan and Mr Tan and the reason for this funding could not be established because Mr Tan failed to respond to our enquiries. Mr Tan also failed to respond to our follow-up reminder and request for an interview.

24. OCBC Singapore declined to disclose the details of its clients on the grounds of commercial morality and its basic duty of confidentiality to its clients. Upon our invitation to seek authorisation from its clients to release the requested information, OCBC Singapore was only able to obtain authorisation in 1995 from three of its clients. None of these authorisations were of relevance as two of the three clients only sold Crownhampton shares while the third was reported to have purchased only 100,000 Crownhampton shares after the announcement on 20 October 1993. The other clients either refused to authorise disclosure or failed to respond to OCBC Singapore.

25. When providing comments on the draft of this report, OCBC Singapore advised that it had, in 1996, obtained authorisation from three additional clients. Similarly, none of these authorisations were of relevance as one of these three clients sold Crownhampton shares while the other two only made purchases of Crownhampton shares after the 20 October 1993 announcement.

26. As a result, the identities of the clients who purchased the 5,229,000 Crownhampton shares during the period 6 to 19 October 1993 through OCBC Singapore remain unavailable to us.

27. We were, however, able to obtain from sources in Hong Kong some information regarding certain of the dealings conducted through OCBC Singapore in late August and September 1993. These are as follows:

Name of Client	Total No. of Crownhampton shares bought	Price (HK\$)
Wee Ah Kee ("Mr Wee")	10,000,000	1.02
Perform Investments Ltd ("Perform")	1,000,000	1.01 - 1.02

28. The information became available when Mr Wee, a Singapore resident, disclosed his purchase of 10 million Crownhampton shares on 2 September 1993 in accordance with the SDIO. He was, at the material time, the Managing Director of both Crownhampton and Sum Cheong Piling.

29. The 2 September 1993 purchase was transacted through OCBC Singapore and OCBC Hong Kong by means of a cross trade in which OCBC Singapore and OCBC Hong Kong also acted as brokers for the seller. Without knowing the circumstances of the purchase, it cannot be established whether the transaction fell within one of the statutory exceptions of insider dealing, for example if the seller knew, or ought reasonably to have known, that Mr Wee was a person connected with Crownhampton.

30. Mr Wee's brother-in-law, Mr Chiu Kwok Wai ("Mr Chiu"), who is a resident of Hong Kong, confirmed that Perform, a BVI company in which Mr Wee had an interest, was used for securities trading by himself, Mr Wee, the younger brother of the then Chairman of both Crownhampton and Sum Cheong Piling, and a fourth person. He further confirmed that Perform had purchased a total of 1 million Crownhampton shares through OCBC Singapore from 27 August 1993 to 2 September 1993.

31. Without knowing what interest Mr Wee had in Perform, we could not determine whether or not he was required to make disclosures under the SDIO regarding any purchases in Crownhampton shares in the name of Perform and, therefore, whether any breach of that Ordinance had occurred.

32. When Mr Wee was asked by us whether he had any interest in Perform or its purchases of Crownhampton shares in 1993, he stated that he loaned money to Perform from time to time and gave instructions on behalf of Perform to OCBC Singapore to purchase Crownhampton shares in August/September 1993. Subsequent endeavours to arrange an interview with Mr Wee were unsuccessful.

33. On the basis of the above information, the investigation was expanded on 16 January

1996 by the issue of a further Direction under section 33(1) of the SFCO to cover the following two areas:

- (a) possible insider dealing in the shares of Crownhampton during the period 1 August 1993 to 19 October 1993, i.e. over a wider period than that specified in the original Direction dated 3 February 1994; and
- (b) possible offences contrary to the SDIO in respect of dealings in the shares of Crownhampton during the period 1 August 1993 to 30 November 1993.

34. Pursuant to this, formal notices under section 33(4) of the SFCO were served on OCBC Singapore and OUB requiring them to produce the trading records of their clients for the specified period which were relevant to the investigation.

35. In response to our formal notice, OUB stated that its clients had denied permission to disclose the information requested. It pointed out that as the notices did not have the same effect as a Singapore Court order, OUB would, under Singapore law, be exposed to the risk of legal action by its clients if it complied with the SFCO order without client permission.

36. OCBC Singapore responded similarly that, under Singapore law, the SFCO notice would not excuse it from its confidentiality obligations to its clients. It declined to provide the information required on the ground that compliance with the SFCO notice would expose it to potential claims from its clients.

37. The brokers in Hong Kong who executed the transactions in question on behalf of the Singapore brokers were equally unable to provide the information. They said that the information was not within their control and was only available from Singapore. (The two Hong Kong brokers concerned and their affiliates in Singapore are separate legal entities and we have been informed by OCBC Singapore that there is a "firewall" between it and OCBC Hong Kong in respect of client dealings.)

38. As a result, we have been unable to obtain from the parties in Singapore information necessary to establish whether, in relation to those trades apparently conducted by, or on behalf of, persons connected to Crownhampton, possible breaches of the SIDO or SDIO had occurred.

39. In the course of our investigations, we have been in contact with the Monetary Authority of Singapore ("MAS") since February 1994. Despite the absence at the time of a Memorandum of Understanding on regulatory cooperation between the two regulators, the MAS offered full information and help but made it clear that they could do so only to the extent permitted by Singapore laws.



Confidentiality obligations in law

40. The restriction on the disclosure of client information may arise in two ways.

41. First, it may arise as a matter of contract. Where such a contractual obligation exists it will normally, in the absence of authorisation, preclude the sharing of client information even between related companies within a group.

42. In many markets the statutory exceptions to the contractual duty will permit disclosure to a domestic court or tribunal, a domestic police force or other domestic regulator undertaking a

proper enquiry. In many developed markets, the statutory exceptions will also allow the domestic regulator to require the provision of information that would assist a foreign regulator undertaking an inquiry into a suspected breach of the law in the foreign jurisdiction. The circumstances in which assistance may be provided to a foreign regulator vary between jurisdictions but generally these statutory exceptions overcome problems that would otherwise arise when it becomes necessary to conduct part of an investigation in another country.

43. In the event, because of the brokers' client confidentiality obligations, the assistance available was insufficient to enable us to pursue the investigation. Extensive discussions were also held regarding the possibility of the MAS providing assistance to our investigations or taking action should these possible insider dealings also breach Singapore law. These, too, were unsuccessful in assisting the pursuit of our investigation because MAS could not provide assistance because it had no powers to compel the clients concerned to give written consent to their brokers for disclosure to SFC. MAS also could not take action against them for possible insider dealing because the dealings in Crownhampton shares took place outside Singapore.

44. The SFC has since strengthened its cooperation with the MAS with the signing of a Memorandum of Understanding on 16 January 1997. We hope that this would facilitate more effective mutual cooperation in similar future investigations.



Conclusion

45. The non-availability of information vital to our investigations from Singapore because the Singapore brokers concerned could not obtain their clients' consent to provide the information has meant that we are unable to pursue our task any further, despite our belief that the case merited further enquiry. We are, therefore, unable to conclude that this is an appropriate case for referral to the Financial Secretary under the SIDO or the SDIO.

46. That we have been unable to pursue our appointed task points clearly to the fact that the existing domestic and foreign securities laws are not adequate to ensure that the regulators can effectively enforce those laws and to investigate their possible breach.

47. Although we have extensive investigatory powers under the SFCO, these powers do not extend beyond Hong Kong borders to require overseas brokers dealing in the Hong Kong market to provide the necessary information to facilitate enquiries into possible breaches of Hong Kong's securities laws. Equally, we have no powers to require their clients, particularly if these are non Hong Kong residents, to provide information or to answer our questions.

48. The domestic laws of many foreign jurisdictions are sufficient to overcome any problems that may arise in an investigation because of the territorial limitations of Hong Kong laws. Such jurisdictions have laws corresponding to Section 59A of the Securities and Futures Commission Ordinance to permit the overseas regulator to exercise its own powers to assist the SFC. For example, Switzerland has recently enacted legislation that provides for the Swiss Federal Banking Commission to provide such assistance even in the absence of a Memorandum of Understanding.

49. In relation to those jurisdictions which have client confidentiality obligations but no overriding legislation to ensure effective regulatory cooperation, there is, in our view, a regulatory gap which could severely prejudice the interests of investors in our markets. This needs to be addressed to safeguard the integrity of the Hong Kong markets.

50. It appears to us that this regulatory gap could be closed by extending a concept that already exists within the current regulatory framework.

51. Section 5.1 of the Code of Conduct for persons registered with the SFC requires a registered person "to take all reasonable steps to establish the true and full identity of each of his clients, and of each client's financial situation, investment experience, and investment objectives".

52. As a matter of practice, this requirement has not been interpreted as requiring a registered person in Hong Kong to know the identity of a client underlying an order it receives from an omnibus account maintained by an overseas broker, even where that overseas broker is controlled or owned by the same person as the Hong Kong registered person. This practice facilitates the efficient processing of overseas orders and, in most situations, does not derogate from client protection. Nor does it, in most cases, unduly impede the investigatory process, because, as noted above, in most developed jurisdictions, client confidentiality obligations can be displaced to assist a formal investigation by a regulator from another jurisdiction.

53. Our experience in this investigation suggests that section 5.1 of the Code of Conduct should be supplemented by a new provision to address difficulties that may arise where transactions are effected by a Hong Kong registered person on behalf of a nominee or omnibus account operating out of a foreign jurisdiction. In particular, before a transaction is effected, all necessary client consents should be obtained to ensure that a Hong Kong registered person is entitled, upon request, to know the name of the client or clients that are behind the nominee or omnibus account. A Hong Kong registered person should not carry out a transaction until satisfied that those consents have been obtained.

54. We do not believe that such a requirement will impair overseas participation in our market because, as we have pointed out, most developed jurisdictions already have laws which allow for this. The clearer requirement will thus have no effect on investors from these jurisdictions. In other cases, the requirement could be met by the client signing a once-off waiver agreement specifically to allow his broker to disclose the required information to the SFC in the course of the exercise of the SFC's statutory powers.

55. We, therefore, strongly recommend that the Code of Conduct should be so clarified.

56. We further recommend that the SFC seek the consent of the Attorney General to publish this Report under Section 33(10) of the SFCO to highlight the need to address the apparent gap in our ability to pursue investigations into possible breaches of Hong Kong's securities laws where such tradings emanate from jurisdictions which have client confidentiality obligations which effectively preclude regulatory cooperation.

Stephen Suen
Associate Director, Enforcement

Laurence Lee
Senior Manager, Enforcement

Date:



[Annex 1](#)

[Annex 2](#)

[Annex 3](#)

Annex 1

<u>Parties</u>	<u>Date 1st draft report sent</u>	<u>Date of comments</u>	<u>Date 2nd draft report sent</u>	<u>Date of comments</u>
1. Monetary Authority of Singapore	5 September 1996	17 September 1996	30 May 1997	9 June 1997
2. OCBC Securities Pte Ltd	11 October 1996	25 & 28 October 1996	30 May 1997	Nil
3. OUB Securities Pte Ltd	11 October 1996	25 October 1996	30 May 1997	Nil
4. Ong & Co Pte Ltd	11 October 1996	Nil	30 May 1997	Nil
5. Keppel Securities Pte Ltd	11 October 1996	Nil	30 May 1997	Nil
6. Mr Wee Ah Kee	11 October 1996	Nil	30 May 1997	Nil
7. Mr Tan Hong Woon	11 October 1996	Nil	30 May 1997	Nil
8. Mr Ong Tze Guan	11 October 1996	17 November 1996	30 May 1997	No comments (17/6/97)
9. Mr Chiu Kwok Wai	11 October 1996	Nil	30 May 1997	Nil
10. Sum Cheong International Ltd	5 November 1996	No comments (8/11/96)	30 May 1997	Nil
11. Ms Iris Tan Lee Hong	-	-	30 May 1997	Nil



Page last updated: 19 June 2001

11 Collyer Quay, #10-02 The Arcade, Singapore 0104.
Telephone: 2213771 (5 Lines) Facsimile: 2213815

Your Reference

Our Reference

AUD/GG/LWH/sa

20 January 1994

Securities & Futures Commission
12th Floor, Edinburgh Tower
The Landmark
15 Queen's Road
Central, Hong Kong

Attn : Mr Stephen Suen

Dear Sir,

CROWNHAMPTON INTERNATIONAL LIMITED ("CIL")
(now known as SUM CHEONG INTERNATIONAL LIMITED)

We refer to your letter dated 14 January 1994.

As requested, we set out below the detailed timetable followed by us in the conduct of the audit of CIL's Singapore operations for the year ended 30 June 1993.

<u>Date/Period</u>	<u>Description of audit procedures</u>
10 June 1993 to 14 June 1993	Audit planning
21 June 1993 to 17 August 1993	Interim audit
18 August 1993 to 24 September 1993	Final audit field work
27 August 1993	Unaudited management accounts identified by us, sent to Fan, Mitchell & Co., auditors of CIL.
25 September 1993 to 30 September 1993	Consolidation work on group accounts of Singapore operations.
28 September 1993 to 1 October 1993	Auditors of CIL carried out review of our audit files of Singapore operations. Draft accounts were furnished to auditors of CIL and client.
12 October 1993	Final audit clearance of Singapore operations accounts given to the auditors of CIL.
13 October 1993	Issuance of signed audited accounts to client.
15 October 1993	A copy of signed audited accounts sent to the auditors of CIL.

SUM CHEONG PILING PRIVATE LIMITED
BALANCE SHEET
AS AT 30TH JUNE 1993

	CURRENT MONTH (S \$)	PREVIOUS MONTH (S \$)
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SHARE CAPITAL AND RESERVES		
SHARE CAPITAL	12,000,000.00	12,000,000.00
CAPITAL RESERVES	2,014,472.03	2,014,472.03
RETAINED EARNINGS B/F	709,363.77	709,363.77
RETAINED PROFIT CURRENT YEAR	7,756,185.34	6,443,671.68
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	--	-
	22,480,021.14	21,167,507.48
	-----	-----
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REPRESENTED BY		
FIXED ASSETS	12,275,201.41	12,383,828.03
SHARES IN SUBSIDIARY	51,003.00	51,003.00
	-----	-----
	--	
	12,326,204.41	12,434,831.03
CURRENT ASSETS		
CONSTRUCTION WORK IN PROGRESS	28,066,764.94	34,597,469.23
STOCKS	1,432,036.14	6,161,940.94
H PILES IN TRANSIT	5,282,151.27	0.00
TRADE DEBTORS	24,431,996.18	16,374,139.14
OTHERS DEBTORS AND PREPAYMENT	326,757.99	2,042,944.35
FIXED DEPOSIT	2,916,021.90	2,936,780.31
BANK AND CASH BALANCE	19,227,221.04	9,667,154.95
	-----	-----
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	81,682,949.46	71,780,428.92
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CURRENT LIABILITIES		
PROGRESS BILLINGS	26,298,881.29	25,038,282.37
TRADE CREDITORS	33,991,286.86	28,133,815.47
OTHER CREDITORS & ACCRUAL	6,135,924.67	5,312,820.28
HIRE PURCHASE CREDITORS	440,021.56	515,702.35

BANK OVERDRAFT/TRUST RECEIPT	3,304,177.21	4,359,719.56
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	70,170,291.59	63,360,340.03
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NET CURRENT ASSETS	11,512,657.87	8,420,088.89
AMT DUE BY RELATED COMPANIES	1,358,841.14 -	312,587.56
	10,153,816.73	8,732,676.45
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	22,480,021.14	21,167,507.48
	-----	-----
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	CURRENT MONTH	YEAR-TO-DATE
	(S \$)	(S \$)
	-----	-----
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REVENUE

COMPLETED PROJECTS-PRIOR YEAR	68,856.17	1,592,209.63 -
COMPLETED PROJECTS-CURRENT	22,364,594.28	90,772,652.41
PLANT INCOME	133,156.00	1,597,125.34
SALES OF MATERIAL	5,031,692.36	27,538,136.59
SALES OF SCRAPS	228,912.45	3,450,521.22
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TOTAL	27,827,211.26	121,766,225.93
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LESSCOST OF SALES

COMPLETED PROJECTS-PRIOR YEAR	1,458,998.24 -	781,224.24
COMPLETED PROJECTS-CURRENT	21,512,114.26	79,243,732.19
PLANT COST	126,336.80	1,508,913.75
COST OF MATERIAL	4,820,465.19	22,678,959.68
COST OF SCRAPS	210,232.09	3,176,179.42
DIRECT OPERATING COST	10,404.83	0.00
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TOTAL	25,220,554.93	107,389,009.28
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GROSS PROFIT/(LOSS)	2,606,656.33	14,377,216.65
SALES OF FIXED ASSETS	37,256.11	133,302.20
INTEREST INCOMES	8,748.29	40,898.14
OTHER INCOME	18,012.03	108,040.71

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OPERATING PROFIT/(LOSS)	2,670,672.76	14,659,457.70
LESS : OVERHEADS		
OFFICE RENTAL & UTILITIES	235,101.65	1,402,353.06
STAFF COST	397,547.27	2,999,362.50
ADMINISTRATIVE COST	111,901.59	1,032,602.40
OVERHEAD RECOVERY	658,159.00 -	3,420,996.00 -
FINANCIAL COST	61,767.59	579,918.50
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TOTAL OVERHEAD	148,159.10	2,593,240.46
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	--	--
PROFIT BEFORE TAX	2,522,513.66	12,066,217.24
LESS : TAXATION	1,210,000.00	4,410,000.00
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PROFIT BEFORE E-ORDINARY ITEM	1,312,513.66	7,656,217.24
EXTRA ORDINARY ITEM :		
SALES OF SUBSIDIARY (SCM)	0.00	4,299,968.10
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PROFIT ATTRIBUTABLE TO SHAREHOLDER	1,312,513.66	11,956,185.34
DIVIDEND	0.00	4,200,000.00
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PROFIT RETAINED FOR THE YEAR	1,312,513.66	7,756,185.34
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Page last updated: 19 June 2001