



# 2003

**Interim Report to Shareholders**

**致股東中期報告書**

*for the half-year period ended 30th June, 2003*

**截至二〇〇三年六月三十日止半年度**

**HARBOUR CENTRE DEVELOPMENT LIMITED**

**海港企業有限公司**



## **GROUP RESULTS**

The unaudited Group profit attributable to Shareholders for the six months ended 30th June, 2003 amounted to HK\$58.0 million, an increase of 3.6% as compared with the restated profit of HK\$56.0 million for the corresponding period last year. Earnings per share were 18 cents.

## **INTERIM DIVIDEND**

The Board has declared an interim dividend in respect of the half-year period ended 30th June, 2003 of 5.0 cents (2002: 5.0 cents) per share, payable on Friday, 10th October, 2003 to Shareholders on record as at 3rd October, 2003.

## **BUSINESS REVIEW**

- \* The Marco Polo Hongkong Hotel recorded low occupancy rate and room yield in the first half of 2003 as a result of the extremely low tourist and business traveller arrivals during the outbreak of SARS in Hong Kong from March to May 2003. The market had started to pick up after the lifting of WHO's travel advisory against Hong Kong on 23rd May, 2003.
- \* The commercial section of The Marco Polo Hongkong Hotel was substantially re-let on completion of the remodelling and upgrading of the retail podium.
- \* Pre-sale for Phase I and Phase II of Sorrento (Kowloon Station Package II development), in which the Group has a 20% interest, has progressed satisfactorily.



**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**For the six months ended 30th June, 2003**

	Note	Unaudited 30/6/2003 HK\$ Million	Unaudited 30/6/2002 HK\$ Million Restated
Turnover	2	<b>115.5</b>	169.9
Direct costs and operating expenses		<b>(77.7)</b>	(83.5)
Selling and marketing expenses		<b>(10.0)</b>	(7.8)
Depreciation		<b>(5.9)</b>	(5.4)
Administrative and corporate expenses		<b>(2.6)</b>	(1.7)
Operating profit	3	<b>19.3</b>	71.5
Non-operating items	4	<b>20.4</b>	(9.2)
Share of profits less losses of associates		<b>19.8</b>	4.5
Profit before taxation		<b>59.5</b>	66.8
Taxation	5	<b>(1.5)</b>	(10.8)
Profit attributable to shareholders		<b>58.0</b>	56.0
Proposed interim dividends	6	<b>15.8</b>	15.8
Earnings per share	7	<b>HK\$0.18</b>	HK\$0.18
Proposed interim dividends per share		<b>HK\$0.05</b>	HK\$0.05



## CONSOLIDATED BALANCE SHEET

As at 30th June, 2003

	Note	Unaudited 30/6/2003 HK\$ Million	Restated 31/12/2002 HK\$ Million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets		2,452.1	2,404.6
Interest in associates		664.5	884.2
Investment securities		497.0	523.0
Employee benefits		9.2	9.3
		<u>3,622.8</u>	<u>3,821.1</u>
<b>Current assets</b>			
Inventories		3.5	3.7
Debtors	8	14.4	24.8
Cash and cash equivalents		750.1	572.8
		<u>768.0</u>	<u>601.3</u>
<b>Current liabilities</b>			
Creditors	9	59.2	72.4
Taxation		0.6	5.2
		<u>59.8</u>	<u>77.6</u>
<b>Net current assets</b>		<u>708.2</u>	<u>523.7</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,331.0</u>	<u>4,344.8</u>
<b>EQUITY AND NON-CURRENT LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	10	157.5	157.5
Reserves	11	4,076.8	4,082.2
		4,234.3	4,239.7
<b>Non-current liabilities</b>			
Deferred income	12	85.3	95.8
Deferred tax liabilities		11.4	9.3
		<u>96.7</u>	<u>105.1</u>
<b>TOTAL EQUITY AND NON-CURRENT LIABILITIES</b>		<u>4,331.0</u>	<u>4,344.8</u>



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the six months ended 30th June, 2003**

	<b>Unaudited 30/6/2003 HK\$ Million</b>	Unaudited 30/6/2002 HK\$ Million Restated
Total equity as at 1st January		
As previously reported	<b>4,249.0</b>	4,814.1
Prior period adjustments arising from changes in accounting policies for		
- deferred tax	<b>(9.3)</b>	(5.9)
As restated	<u><b>4,239.7</b></u>	<u>4,808.2</u>
Deficit on revaluation of investment securities	<b>(26.0)</b>	(87.0)
Share of surplus/(deficit) on revaluation of investments securities of associates	<b>0.4</b>	(0.9)
Others	<b>-</b>	(0.5)
Net losses not recognised in the consolidated profit and loss account	<u><b>(25.6)</b></u>	<u>(88.4)</u>
Net profit for the period		
(2002: previously reported HK\$57.4 million now restated) (Note 1)	<b>58.0</b>	56.0
Final dividend approved in respect of the previous year	<b>(37.8)</b>	(37.8)
Revaluation reserve transferred to the consolidated profit and loss account upon disposal of investment securities	<b>-</b>	6.7
Total equity as at 30th June	<u><b>4,234.3</b></u>	<u>4,744.7</u>



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For the six months ended 30th June, 2003**

	<b>Unaudited 30/6/2003 HK\$ Million</b>	Unaudited 30/6/2002 HK\$ Million
<b>Net cash inflow from operating activities</b>	<b>29.7</b>	77.2
<b>Net cash inflow from investing activities</b>	<b>185.4</b>	90.5
<b>Net cash outflow from financing</b>	<u><b>(37.8)</b></u>	<u>(438.7)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>177.3</b>	(271.0)
<b>Cash and cash equivalents at 1st January</b>	<u><b>572.8</b></u>	<u>868.3</u>
<b>Cash and cash equivalents at 30th June</b>	<u><b>750.1</b></u>	<u>597.3</u>
<b>Analysis of the balance of cash and cash equivalents</b>		
Deposits and cash	<u><b>750.1</b></u>	<u>597.3</u>



## NOTES TO THE ACCOUNTS

### 1. Principal accounting policies

The unaudited consolidated accounts have been prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" and Appendix 16 of Listing Rules of the Stock Exchange of Hong Kong Limited. The accounting policies and methods of computation used in the preparation of the interim accounts are consistent with those used in the annual accounts for the year ended 31st December, 2002 except for the changes in accounting policies as described below.

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

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 reasonably probability to crystallise in the foreseeable future. Deferred tax assets were not recognised unless their realisation was assured beyond reasonable doubt.

With effect from 1st January, 2003, in order to comply with SSAP 12 (revised) "Income taxes" issued by the Hong Kong Society of Accountants, the Group adopted a new accounting policy for deferred tax. A balance sheet method was used to recognise deferred tax in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. The effect of adopting the new accounting policy has been applied retrospectively. Revenue reserves as at 1st January, 2003 and 1st January, 2002 were restated and decreased by HK\$9.3 million and HK\$5.9 million respectively representing the deferred tax liability recognised in respect of temporary difference arising from fixed assets and retirement scheme assets. The effect of change to income tax for the six months ended 30th June, 2003 is an increased charge of HK\$2.1 million (2002: HK\$1.4 million).

### 2. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

#### (a) Business segments

	Hotel and restaurants		Property		Investments		Total	
	30/6/2003	30/6/2002	30/6/2003	30/6/2002	30/6/2003	30/6/2002	30/6/2003	30/6/2002
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	Million	Million	Million	Million	Million	Million	Million	Million
		Restated		Restated		Restated		Restated
Segment revenue	<b>83.1</b>	132.5	<b>12.9</b>	15.4	<b>19.5</b>	22.0	<b>115.5</b>	169.9
Segment result	<b>(4.5)</b>	39.0	<b>4.3</b>	11.2	<b>19.5</b>	21.3	<b>19.3</b>	71.5
Non-operating items	-	-	-	(18.8)	<b>20.4</b>	9.6	<b>20.4</b>	(9.2)
Share of profits less losses of associates	-	-	<b>19.4</b>	3.8	<b>0.4</b>	0.7	<b>19.8</b>	4.5
Profit before taxation							<b>59.5</b>	66.8
Taxation							<b>(1.5)</b>	(10.8)
Profit attributable to shareholders							<b>58.0</b>	56.0



**(b) Geographical segments**

	Segment revenue		Segment result	
	30/6/2003 HK\$ Million	30/6/2002 HK\$ Million	30/6/2003 HK\$ Million	30/6/2002 HK\$ Million
Hong Kong	104.4	154.7	8.2	56.3
Singapore	11.1	15.2	11.1	15.2
	<u>115.5</u>	<u>169.9</u>	<u>19.3</u>	<u>71.5</u>

No inter-segment revenue was recorded during the periods.

**3. Operating profit**

**Operating profit is arrived at after charging:**

	30/6/2003 HK\$ Million	30/6/2002 HK\$ Million
Cost of inventories sold	9.2	11.3
Depreciation	5.9	5.4
Staff costs including:	40.8	43.4
Contributions to defined contribution pension schemes	1.4	1.4
Increase in liability for defined benefit pension schemes	0.9	1.0
Auditors' remuneration	0.2	0.2
and after crediting:		
Gross rental income from investment properties	12.9	15.4
Less: direct outgoings	(8.0)	(3.1)
	<u>4.9</u>	<u>12.3</u>
Interest on bank deposits	4.3	4.2
Dividend income from listed securities	15.2	17.8

**4. Non-operating items**

	30/6/2003 HK\$ Million	30/6/2002 HK\$ Million
Release of deferred income	20.4	24.7
Loss on disposal of investment securities	-	(7.4)
Provision for impairment in value of investment securities	-	(7.7)
Provision for impairment in value of property held for redevelopment	-	(18.8)
	<u>20.4</u>	<u>(9.2)</u>





## 5. Taxation

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16.0%) on the estimated assessable profit for the period.

	Group	
	30/6/2003 HK\$ Million	30/6/2002 HK\$ Million Restated
<b>Current tax - provision for Hong Kong profits tax</b>		
Tax for the period	3.5	8.8
Overprovision in respect of prior years	(4.1)	-
	(0.6)	8.8
<b>Deferred tax</b>		
Origination and reversal of temporary difference	1.2	1.4
Effect of increase in tax rate on deferred tax balances at 1st January	0.9	-
	2.1	1.4
Share of associates' Hong Kong profits tax for the period	-	0.6
<b>Total tax charge</b>	<b>1.5</b>	<b>10.8</b>

## 6. Proposed interim dividends

	30/6/2003 HK\$ Million	30/6/2002 HK\$ Million
Proposed Interim dividends of 5.0 cents (2002: 5.0 cents) per share	<b>15.8</b>	15.8

## 7. Earnings per share

The calculation of earnings per share is based on the profit for the period of HK\$58.0 million (2002: restated HK\$56.0 million) and on 315.0 million (2002: 315.0 million) ordinary shares in issue during the period. For the period under review and the preceding comparative period, there is no difference between the basic and diluted earnings per share.



## 8. Debtors

Included in debtors are trade debtors (net of provision for bad and doubtful debts) and their age analysis as at 30th June, 2003 as follows:

	<b>30/6/2003</b>	31/12/2002
	<b>HK\$ Million</b>	HK\$ Million
Due within 30 days	<b>5.6</b>	13.3
Due after 30 days but within 60 days	<b>1.1</b>	3.8
Due after 60 days but within 90 days	<b>0.3</b>	1.9
Over 90 days	<b>2.7</b>	1.1
	<b>9.7</b>	20.1

The Group has a defined credit policy. The general credit terms allowed range from 0 to 60 days.

## 9. Creditors

Included in creditors are trade creditors and their age analysis as at 30th June, 2003 as follows:

	<b>30/6/2003</b>	31/12/2002
	<b>HK\$ Million</b>	HK\$ Million
Due within 30 days	<b>4.5</b>	8.1
Due after 30 days but within 60 days	<b>3.7</b>	4.3
Due after 60 days but within 90 days	<b>0.1</b>	0.3
Over 90 days	<b>0.1</b>	0.1
	<b>8.4</b>	12.8

## 10. Share capital

There were no movements in the share capital of the Company during the period under review.



## 11. Reserves

Extracts from reserves are movements for the investment securities revaluation reserve and revenue reserves for the six months ended 30th June, 2003 as shown below:

	<b>Investment securities revaluation reserve</b> HK\$ Million	<b>Revenue reserves</b> HK\$ Million
<b>(i) Company and subsidiaries</b>		
Balance at 1st January, 2003		
as previously reported	(222.3)	1,683.5
prior year adjustment		
deferred tax	-	(9.3)
as restated	<u>(222.3)</u>	<u>1,674.2</u>
Dividend approved in respect		
of the previous year	-	(37.8)
Revaluation deficit		
Investment securities	(26.0)	-
Retained profit for the period	-	38.2
Balance at 30th June, 2003	<u>(248.3)</u>	<u>1,674.6</u>
<b>(ii) Associates</b>		
Balance at 1st January, 2003	(0.6)	(76.6)
Revaluation surplus		
Investment securities	0.4	-
Retained profit for the period	-	19.8
Balance at 30th June, 2003	<u>(0.2)</u>	<u>(56.8)</u>
At 30th June, 2003	<u>(248.5)</u>	<u>1,617.8</u>
At 31st December, 2002 (restated)	<u>(222.9)</u>	<u>1,597.6</u>

## 12. Deferred income

The movements of deferred income of the Group are as follows:

	<b>2003</b> HK\$ Million	2002 HK\$ Million
Balance at 1st January	<b>95.8</b>	135.9
Additions	<b>9.9</b>	30.8
Release of deferred income	<b>(20.4)</b>	(70.9)
Balance at 30th June / 31st December	<u><b>85.3</b></u>	<u>95.8</u>



### 13. Material related party transactions

- (a) The Group has a management agreement with a subsidiary of the ultimate holding company for the management of the Group's hotel operations. Fees payable under this arrangement during the period ended 30th June, 2003 amounted to HK\$3.7 million (2002: HK\$7.6 million) which included management fees of HK\$2.6 million (2002: HK\$5.8 million) and marketing fees of HK\$1.1 million (2002: HK\$1.8 million). The management fee includes a basic fee and an incentive fee which is calculated based on 3% and 5% of gross revenue and gross operating profit respectively. The marketing fee is calculated based on 1.5% of gross revenue. Such transactions also constitute connected transactions as defined under the Listing Rules, but are exempted from the requirements under paragraph 14.24(2) relating to connected transactions thereof.
- (b) Loans totalling HK\$722.9 million (2002: HK\$942.1 million) due from an associate involved in the Sorrento project are considered to be related party transactions and also constitute connected transactions as defined under the Listing Rules. Waivers were granted by the Stock Exchange in 1994 and 1997 from complying with the relevant connected transaction requirements. The net interest earned by the Group from the above loan during the period ended 30th June, 2003 amounted to HK\$9.9 million (2002: HK\$16.1 million) which has been deferred and is recognised in the consolidated profit and loss account from when the associate starts to generate profit from a property development project, undertaken by the associate, based on the percentage of total area sold to total area available for sale.

### 14. Commitments

Capital commitments for property, plant and equipment

	30/6/2003 HK\$ Million	31/12/2002 HK\$ Million
Contracted but not provided for	18.7	67.8
Authorised but not contracted for	37.0	38.6
	<u>55.7</u>	<u>106.4</u>

### 15. Comparative figures

Certain comparative figures have been adjusted as a result of changes in accounting policies for income taxes in order to comply with SSAP 12 (revised). There has been included in turnover certain income, which was not accounted as turnover in prior years, to conform to the current period's presentation and to give a better indication of the results of the Group. Comparative figures have been amended accordingly. The effect of this change in turnover presentation is to increase turnover by HK\$8.4 million (2002: HK\$12.2 million).

16. The unaudited interim accounts for the six months ended 30th June, 2003 have been reviewed by the audit committee of the Company.



## COMMENTARY ON INTERIM RESULTS

### (I) Review of 2003 Interim Results and Segmental Performance

The unaudited Group profit attributable to shareholders for the six months ended 30th June, 2003 amounted to HK\$58.0 million, increased by 3.6% as compared with the profit HK\$56.0 million for the corresponding period last year. Earnings per share were HK\$0.18 (2002: restated HK\$0.18).

No provision for impairment in value of property and investment was made in these accounts for the period under review while a total of HK\$26.5 million for such was made in the corresponding period last year. On the basis of taking out the provision factor, the half-year's profit represents a decrease of 29.7% compared to HK\$82.5 million for the first half of last year.

The Group's turnover for the period under review was HK\$115.5 million, a decrease of 32% from HK\$169.9 million earned in the comparative period. Operating profit was HK\$19.3 million, down by 73% from the operating profit of HK\$71.5 million reported for the comparative period.

The first half-year result of the hotel segment was seriously affected by the outbreak of SARS in late March. The average occupancy level of The Marco Polo Hongkong Hotel decreased to 46% and lower average room rates were recorded for the period under review. As a consequence, total revenue and operating profit of the hotel segment decreased by 37% and 112% respectively. The hotel section reported a loss of HK\$4.5 million in the first half of the year. Business however started to pick up after the lifting of WHO's travel advisory in late May 2003.

Rental revenues and operating profit from the commercial section of The Marco Polo Hongkong Hotel were in part adversely affected by the retail podium upgrading project and decreased to HK\$12.9 million and HK\$4.3 million from HK\$15.4 million and HK\$11.2 million, respectively, as the works were not finished until the end of the first quarter of 2003.

Profit before taxation for the period under review included deferred interest income of HK\$20.4 million, arising from a loan advanced to an associate for a property development, recognised as in previous years on the basis of the pre-sale progress of the development.

Share of profits of associates amounted to HK\$19.8 million compared to HK\$4.5 million for the same period last year.

Taxation charged for this period was HK\$1.5 million against HK\$10.8 million for the same period last year. The drop resulted from the decrease in hotel profit and overprovision for tax provision in prior years.



## **(II) Liquidity and Financial Resources**

At 30th June, 2003, the Group's shareholders' funds amounted to HK\$4,234.3 million, compared to HK\$4,239.7 million at 31st December, 2002.

As at 30th June, 2003, the Group had net cash of HK\$750.1 million, an increase of 31% from HK\$572.8 million as at 31st December, 2002. The increase was mainly due to the return of cash from sale of Sorrento units undertaken by an associate. Most of the cash surpluses were placed as bank deposits. In addition, the Group maintained a portfolio of listed investments with market value aggregating HK\$497 million at the period-end. The investment revaluation deficit rose by HK\$26 million during the six months ended 30th June, 2003 reflecting the decline in market value of the portfolio.

At the period end, the Group had no significant exposure to foreign exchange rate fluctuations.

## **(III) Comments on Segmental Information**

The principal activity of the Company is investment holding.

The principal activities of the Company's subsidiaries and associates are the operation of hotel and restaurants, investment property, property development and investments. Further information on the segmental details is provided in Note 2 to the Accounts.

## **(IV) Employees**

The Group has approximately 420 employees working at the Group Hotel. Employees are remunerated according to nature of the job and market trends, with a built-in merit component incorporated in the annual increment to reward and motivate individual performance. Total staff costs for the six months ended 30th June, 2003 amounted to HK\$40.8 million.

Detailed information is set out in Note 3 to the Accounts.



## DISCLOSURE UNDER PRACTICE NOTE 19

In relation to the provision of financial assistance by the Company and/or its subsidiaries to wholly-owned subsidiaries of an associate of the Company, namely, Hopfield Holdings Limited ("Hopfield") (together, the "Borrowers"), as previously disclosed in the Company's annual report for the year ended 31st December, 2002, obligations in relation to the aforesaid financial assistance by the Group continued to exist as at 30th June, 2003.

Set out below is a proforma combined balance sheet of the Borrowers as at 31st July, 2003 (being the latest practicable date for determining the relevant figures) required to be disclosed under Practice Note 19 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):

### Proforma Combined Balance Sheet of the Borrowers

As at 31st July, 2003

	HK\$ Million
Properties under development	3,476.4
Properties held for sale	767.8
Other non-current assets	0.9
Other net current liabilities	(1,133.0)
	<u>3,112.1</u>
Shareholders' loan	(3,486.5)
Shareholders' deficit	<u>(374.4)</u>

Financial assistance given by the Company and/or its subsidiary(ies) is loan advances amounted to HK\$697.3 million.

*Note: The Group's interest in Hopfield was 20% as at 31st July, 2003.*

### Terms of the Financial Assistance

The loan in the amount of HK\$697.3 million made to the Borrowers bears interest at such rate as may from time to time be agreed among all Hopfield's shareholders, with reference to interest rates prevailing in the lending market, currently being fixed at 2.2% per annum (also applicable to all the loans made to Hopfield's subsidiaries by all other shareholders of Hopfield). The loan is repayable on demand, and are provided without any security.

### COMPLIANCE WITH CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information which 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 30th June, 2003.



## DIRECTORS' INTERESTS IN SHARES

At 30th June, 2003, Directors of the Company held the following personal beneficial interests, all being long positions, in the ordinary shares of the Company's parent company, namely, The Wharf (Holdings) Limited:

Name of Directors	Number of Shares
Mr. Gonzaga Wei Jen Li	686,549
Mr. Tze Yuen Ng	178,016

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the Securities and Futures Ordinance (the "SFO") in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or to the Model Code for Securities Transactions by Directors of Listed Companies:

- (i) there were no interests, both long and short positions, held as at 30th June, 2003 by any of the Directors or Chief Executive of the Company in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), and
- (ii) there existed during the financial period no rights to subscribe for shares, underlying shares and debentures of the Company which were held by any of the Directors or Chief Executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial period of any such rights by any of them.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 30th June, 2003 as recorded in the register kept by the Company under section 336 of the SFO:

Names	No. of Ordinary Shares
(i) Upfront International Limited	210,379,500
(ii) Wharf Estates Limited	210,379,500
(iii) The Wharf (Holdings) Limited	210,379,500
(iv) Diplock Holdings Limited	210,379,500
(v) WF Investment Partners Limited	210,379,500
(vi) Wheelock and Company Limited	210,379,500
(vii) Bermuda Trust (Guernsey) Limited	210,379,500
(viii) Harson Investment Limited	25,357,500

*Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of the shareholdings stated against parties (i) to (vii) above in that they represent the same block of shares.*





All the interests stated above represented long positions and as at 30th June, 2003, there were no short positions recorded in the said register.

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial period under review.

### **BOOK CLOSURE**

The Register of Members will be closed from Tuesday, 30th September, 2003 to Friday, 3rd October, 2003, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 29th September, 2003.

By Order of the Board  
**Wilson W. S. Chan**  
Secretary

Hong Kong, 13th August, 2003