



PACIFIC CONCORD HOLDING LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2002

RESULTS AND DIVIDENDS

The Board of Directors announce that the audited consolidated profit from ordinary activities attributable to shareholders of the Group for the year ended 31st December, 2002 amounted to approximately HK\$81,026,000 and represents a decrease of approximately 32.8%.

The directors do not recommend the payment of a dividend for the year.

	<i>Notes</i>	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
TURNOVER	2	923,758	275,482
Cost of sales		(610,357)	(35,025)
Gross profit		313,401	240,457
Other revenue and gains		30,347	54,444
Selling and distribution costs		(59,441)	(41,587)
Administrative expenses		(40,913)	(31,506)
Other operating expenses		(63,087)	(76,632)
Provisions for impairments in values of long term investments		(31,398)	(22,747)
Provision for impairment in goodwill		–	(1,283)
PROFIT FROM OPERATING ACTIVITIES		148,909	121,146
Finance costs		(47,967)	(22,024)
Share of profits and losses of: Associates		51,891	15,715

PROFIT BEFORE TAX		152,833	114,837
Tax	3	(62,985)	(3,466)
PROFIT BEFORE MINORITY INTERESTS		89,848	111,371
Minority interests		(8,822)	9,285
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		81,026	120,656
OTHER APPROPRIATION		(7,033)	–
RETAINED PROFIT FOR THE YEAR		73,993	120,656
DIVIDENDS	4	–	–
EARNINGS PER SHARE			
– Basic	5	2.51 cents	4.07 cents
– Diluted	5	2.51 cents	4.07 cents

Notes:

(1) Impact of new and revised statements of standard accounting practice (“SSAPs”)

The following recently-issued and revised SSAPs are effective for the first time for the current year’s financial statements:

SSAP 1 (Revised)	:	“Presentation of Financial Statements”
SSAP 11 (Revised)	:	“Foreign Currency Translation”
SSAP 15 (Revised)	:	“Cash Flow Statements”
SSAP 34	:	“Employee Benefits”

Detailed changes in Group’s accounting policies and the related effects on the Group’s annual financial statements are set out in the annual report to shareholders.

Certain comparative figures have been reclassified to conform with the current year’s presentation.

(2) Turnover

Turnover represents the net invoiced value of goods sold after allowances for returns and trade discounts; and corporate finance and investment income but excludes intra-group transactions.

An analysis of the Group's turnover by principal activity for the year is as follows:

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
By principal activity:		
Telecommunications	378	2,507
Property	909,707	254,176
Consumer Products	13,673	18,799
	<u>923,758</u>	<u>275,482</u>

(3) Tax

Hong Kong profits tax has been provided at the rate of 16% (2001:16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Provision for profits tax in respect of the operating profit of the Company and its subsidiaries for the year:		
Hong Kong		
Provision for the year	740	2,988
Overprovision in prior years	(2,758)	(23,875)
	<u>(2,018)</u>	<u>(20,887)</u>

Elsewhere		
Provision for the year	279	–
Deferred tax	<u>53,147</u>	<u>21,001</u>
	<u>53,426</u>	<u>21,001</u>
Associates:		
Hong Kong	644	247
Elsewhere	<u>10,933</u>	<u>3,105</u>
	<u>11,577</u>	<u>3,352</u>
Tax charge for the year	<u>62,985</u>	<u>3,466</u>

(4) Dividend

The directors do not recommend the payment of any dividend for the year (2001: Nil)

(5) Earning per share

The calculation of basic earnings per share is based on net profit from ordinary activities attributable to shareholders for the year of approximately HK\$81,026,000 (2001: approximately HK\$120,656,000) and weighted average of 3,224,102,707 (2001: 2,964,349,399) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of approximately HK\$81,026,000 (2001: approximately HK\$120,656,000) and weighted average of 3,224,102,707 (2001: 2,964,349,399) ordinary shares in issue during the year plus the weighted average of 137,448 (2001: 183,762) ordinary shares assumed to be issued at no consideration on deemed exercise of all share options outstanding during the year.

PROPERTY

In February 2003, the Group completed “The Blue Yard” project, a commercial and residential complex in the commercial hub of downtown Tsuen Wan. Despite the extremely negative property market conditions in Hong Kong, over 80% of the residential portion has been successfully sold. The remaining units shall be launched for sale in the near future as market

conditions permit. The Group intends to keep the 160,000 sq.ft., shopping arcade portion of the development, named as “Concord Square”, for long term investment purposes, which will contribute regular income to the Group.

In Shanghai, the shopping arcade and service apartments of “Concord World” - Phase I continue to enjoy high occupancy rates, which has laid down a solid foundation for the development of “Concord World” – Phase II, which will become the Group’s most promising project in Shanghai. With a GFA of approximately 4.7 million sq.ft., the project will occupy an almost one-kilometre stretch of the booming Nanjing Road West commercial district and be facilitated with subway exits. The whole project will be developed into the most spectacular theme shopping street in Shanghai, which will bring tremendous amount of rental income to the Group.

“Shanghai Cannes” is another landmark residential project of the Group in Shanghai. With a site area of 10 million sq. ft., and a GFA of 20 million sq.ft., the project is one of the best selling residential developments in Shanghai. Recently, the project was nominated as “Shanghai’s No. 1 Housing Development” and “2002-3 Asia’s 10-Best Housing Developments” by “Hong Kong Property Journal”. After the successful completion of the successful Phase I , the Group is now actively developing Phase II with a GFA of over 3 million sq.ft., presales of which will start in mid-2003. With a total GFA of 20 million, “Shanghai Cannes” will generate stable and long-term income for the Group in the next five years.

The Group is co-developing a residential and commercial project with New World China Land Ltd. in Tien He, Guangzhou. With a GFA of approximately 500,000 sq.ft., Phase I was completed in August 2002. So far, over 80% of the units have been sold. The remaining units are gradually launched for sale. The development of Phase II has already started.

Meanwhile, the Group continues its discussions with the relevant HKSAR authorities relating to certain changes of land use rights, therefore paving ways for several other large scale projects in Hong Kong.

PETROLEUM PRODUCTS DISTRIBUTION

Following China’s entrance into the WTO, the Group continues its active pursuit in the business of petroleum product distribution in China, mainly focusing on the operation and development of a gasoline station network along the economically developed coastal cities and provinces in China. The Group believes that wholesale and retailing of petroleum products in China will benefit from the sustained economic growth in China and be highly profitable in the long run.

A-SHARE COMPANY IN CHINA

In early 2002, the Group successfully completed its acquisition of a controlling stake in Winsan (Shanghai) Industrial Co., Ltd. (“Winsan”), an A-share company listed on the Shanghai Stock Exchange. Winsan will become the flagship of the Group’s presence in the corporate and capital markets of China.

OUTLOOK

I do not believe that following the end of the Iraq war, the U.S. economy will bring an end to the global recession and lead to a strong recovery. The serious debt problems around the world created by excess capacity and the burst of the “dotcom bubbles” are impossible to extinguish in the near term. It is inevitable that both China’s and Hong Kong’s exports will be adversely affected. Furthermore, the sudden SARS crisis has severely dampened people’s willingness to work. It seems that a new round of recession is arriving. While we should not be overly pessimistic, preparation for the worst should be kept in our agenda. Therefore, we shall continue to exercise stringent and clear mindsets, as well as professional and prudent financial management model, to direct the Group’s future. In order to seek good investment opportunities and enhance our returns for the existing investments, we will continuously fine-tune our strategy in line with the changes of the economic and market conditions. Thus, we could create values for all of our shareholders.

TREASURY POLICIES

The Group continues to adopt a conservative approach in financial risk management. The majority of the Group borrowings were denominated in Hong Kong Dollars, United States Dollars and Renminbi to fund its property projects. The Group’s borrowings were mostly arranged on a floating rate basis. Should market conditions require, the Group will consider appropriate foreign exchange and interest rate hedging products to mitigate the Group’s exposure.

The Group has not engaged in any highly leveraged or speculative products which are not in line with the Group’s treasury management philosophy.

FOREIGN EXCHANGE FLUCTUATIONS

The majority of the Group's borrowings were denominated in Hong Kong dollars, United States Dollars and Renminbi while the sales of the Group are mainly denominated in Hong Kong dollars and Renminbi. Currently, the exchange rates of Renminbi and United States Dollars against Hong Kong Dollars have been stable. During the period under review, the Group's exposure to fluctuations in exchange rates is considered minimal and no financial instruments have been used for hedging purposes.

ACQUISITION OF SUBSIDIARY

During the year under review, the Group had successfully acquired 50.45% interest in Winsan (Shanghai) Industrial Co. Ltd, a A-share company whose A-shares are listed on the Shanghai Stock Exchange.

EMPLOYEES

As at 31 December 2002, the Group had 1,512 employees. The Group determined their salaries in accordance with their performances and market situation and provided them with other benefits, including a provident fund scheme, medical scheme and casualty insurance.

CODE OF BEST PRACTICE

To the best knowledge of the Directors, the Group has complied with the Code of Best Practice set out in Appendix 14 of the Listing Rules issued by The Stock Exchange of Hong Kong Limited during the year ended 31 December 2002.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2002, the Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Company and discussed internal controls and financial reporting matters including the review of the audited annual results for the year ended 31 December 2002 of the Group now reported on.

DETAILED RESULTS ANNOUNCEMENT ON EXCHANGES'S WEBSITE

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the Stock Exchange's website in due course.

By Order of the Board
Pacific Concord Holding Limited
Wong Sai Chung
Chairman and Joint Managing Director

Hong Kong, 28 April, 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of the Company will be held at Maple & Banyan Room, Central Conference Centre, 4th Floor, Wheelock House, 20 Pedder Street, Central, Hong Kong on Monday, 9 June, 2003 at 10:30 a. m. for the following purposes:

1. To receive and consider the consolidated financial statements and the reports of the directors and auditors for the year ended 31 December, 2002.
2. To re-elect retiring directors.
3. To appoint auditors and to authorise the board to fix their remuneration.
4. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. “THAT:

- (a) subject to paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below) or (ii)

an issue of shares under any employee share option scheme or similar arrangement adopted by the Company, shall not exceed 20 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the shareholders on the register of members of the Company on a fixed record date in proportion to their then shareholdings as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined under Ordinary Resolution 4A(d) above) of all the powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and it is hereby generally and unconditionally approved; and

(b) the aggregate nominal amount of shares repurchased by the Company pursuant to paragraph (a) above shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly.”

C. **“THAT** the general mandate granted to Directors to allot additional shares pursuant to Ordinary Resolution 4A set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed to be conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution 4B set out in the notice convening this meeting, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the existing issued share capital of the Company as at the date of passing the relevant resolution.”

By Order of the Board
Pacific Concord Holding Limited
Tam Wing Tak
Company Secretary

Hong Kong, 28 April, 2003

Registered Office:

14th Floor, Wheelock House

20 Pedder Street

Central

Hong Kong

Notes:

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a Member of the Company.
2. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's registered office, not less than 48 hours before the time appointed for holding the Meeting or any adjourned meetings, as the case may be.
3. Concerning item 4A above, the directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the Members as a general mandate in compliance with Section 57B of the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please also refer to the published version of this announcement in The Standard.