

## OTHER INFORMATION

### INTERIM DIVIDEND

The directors declared an interim dividend of \$0.20 (2002: \$0.20) per share for the six months ended 31 December 2003 to shareholders whose names appear in the Register of Members of the Company on 31 March 2004.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 29 March 2004 to Wednesday, 31 March 2004 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the aforesaid interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716 Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Friday, 26 March 2004.

### SHARE OPTION SCHEMES

Pursuant to the new share option scheme adopted by the Company on 15 November 2002 (the "New Share Option Scheme") which replaced the share option scheme adopted on 17 October 1996 (the "Old Share Option Scheme") to comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Company may grant options to the participants, including directors and employees of the Group, to subscribe for shares of the Company. At 31 December 2003, the following share options granted to the participants under the New Share Option Scheme were still outstanding:

Name of grantee	Date of grant	No. of options granted and outstanding at 1 July 2003	Exercise price \$	Exercise period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding at 31 December 2003
Douglas Li	10 February 2003	5,000,000	9.29	10 February 2003 to 16 July 2011	2,000,000	—	3,000,000
Patrick Chan Kai-lung	10 February 2003	200,000	9.20	2 May 2003 to 1 May 2012	66,500	—	133,500

Other than the options stated above, no share options had been granted by the Company to the other participants pursuant to the New Share Option Scheme.

The Old Share Option Scheme was terminated by the Company on 15 November 2002. Upon termination of the Old Share Option Scheme, no further options could be granted thereunder but in all other respects, the provisions of the Old Share Option Scheme shall remain in force and all options granted prior to termination shall continue to be valid and exercisable in accordance therewith. At 31 December 2003, there was no share option outstanding under the Old Share Option Scheme.



## DIRECTORS' INTERESTS AND SHORT POSITIONS

At 31 December 2003, the interests of the directors, chief executive and their respective associates in shares and in respect of equity derivatives, underlying shares and debentures of the Company and its associated corporations (as defined in the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company under section 352 of the SFO were as follows:

### INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of director	Shares				Equity derivatives		Percentage of aggregate interests to issued capital
	Beneficial owner	Discretionary trust founder & trust beneficiary	Spouse or child under 18	Controlled corporation	Share options (Note)	Aggregate interests	
Raymond Kwok Ping-luen	—	1,783,267	—	—	—	1,783,267	0.30
Douglas Li	—	—	—	—	3,000,000	3,000,000	0.52
Patrick Chan Kai-lung	—	—	—	—	133,500	133,500	0.02

Note: share options

Name of director	Note	Outstanding at 1 July 2003	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding at 31 December 2003
Douglas Li	1	5,000,000	—	2,000,000	—	3,000,000
Patrick Chan Kai-lung	2	200,000	—	66,500	—	133,500

Notes:

- The options are exercisable at \$9.29 per share during the period from 10 February 2003 to 16 July 2011. The options can be exercised up to 20 per cent. from 10 February 2003, up to 40 per cent. from 17 July 2003, up to 60 per cent. from 17 July 2004, up to 80 per cent. from 17 July 2005 and in whole from 17 July 2006.
- The options are exercisable at \$9.20 per share during the period from 2 May 2003 to 1 May 2012. The options can be exercised up to  $\frac{1}{3}$  from 2 May 2003, up to  $\frac{2}{3}$  from 2 May 2004 and in whole from 2 May 2005.

## OTHER INFORMATION

### INTERESTS IN ASSOCIATED CORPORATIONS

#### 1. *Interests in shares and underlying shares of Sun Hung Kai Properties Limited*

Name of director	Shares				Equity derivatives		Percentage of aggregate interests to issued capital
	Beneficial owner	Discretionary trust founder & trust beneficiary	Spouse or child under 18	Controlled corporation	Share options (Note)	Aggregate interests	
Raymond Kwok Ping-luen	—	1,079,515,895*	—	—	75,000	1,079,590,895	44.96
Michael Wong Yick-kam	70,904	—	—	—	225,000	295,904	0.01
Ernest Lai Ho-kai	—	—	—	—	36,000	—	0.001
Eric Li Ka-cheung	—	—	—	18,000	—	18,000	0.0007
Ng Leung-sing	—	—	5,000	—	—	5,000	0.0002

\*Note: Of these shares, Messrs. Walter Kwok Ping-sheung, Thomas Kwok Ping-kwong and Raymond Kwok Ping-luen were deemed to be interested in 1,056,338,347 shares, which represented the same interests and were therefore duplicated amongst these three persons for the purpose of the SFO.

Note: share options

Name of director	Date of grant	Exercise price	Outstanding at 1 July 2003	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding at 31 December 2003
Raymond Kwok Ping-luen	16 July 2001	70.00	75,000	—	—	—	75,000
Michael Wong Yick-kam	15 February 2000	70.00	150,000	—	—	—	150,000
	16 July 2001	70.00	75,000	—	—	—	75,000
Ernest Lai Ho-kai	16 July 2001	70.00	36,000	—	—	—	36,000

All options granted and accepted can be exercised up to  $\frac{1}{3}$  during the second year from the date of grant, up to  $\frac{2}{3}$  during the third year from the date of grant, and in whole or in part during the fourth and fifth years from the date of grant, thereafter, the relevant options will expire.



## 2. Interests in shares and underlying shares of SUNeVision Holdings Ltd.

Name of director	Shares				Equity derivatives		Percentage of aggregate interests to issued capital
	Beneficial owner	Discretionary founder & trust beneficiary	Spouse or child under 18	Controlled corporation	Share options (Note)	Aggregate interests	
Raymond Kwok Ping-luen	—	1,742,500 <sup>#</sup>	—	—	853,333	2,595,833	0.12
Michael Wong Yick-kam	100,000	—	—	—	420,000	520,000	0.02
Andrew So Sing-tak	—	—	—	—	800,000	800,000	0.03

<sup>#</sup>Note: Of these shares, Messrs. Walter Kwok Ping-sheung, Thomas Kwok Ping-kwong and Raymond Kwok Ping-luen were deemed to be interested in 1,070,000 shares, which represented the same interests and are therefore duplicated amongst these three persons for the purpose of the SFO.

Note: share options

Name of director	Date of grant	Exercise price \$	Outstanding at 1 July 2003	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding at 31 December 2003
Raymond Kwok Ping-luen	28 March 2000	10.38	755,000	—	—	251,667	503,333
	7 April 2001	2.34	350,000	—	—	—	350,000
Michael Wong Yick-kam	28 March 2000	10.38	360,000	—	—	120,000	240,000
	7 April 2001	2.34	180,000	—	—	—	180,000
Andrew So Sing-tak	8 July 2002	1.43	400,000	—	—	—	400,000
	29 November 2003	1.59	—	400,000	—	—	400,000

The above share options are exercisable in accordance with the terms of the relevant share option scheme and conditions of grant.

## OTHER INFORMATION

### 3. *Interests in shares of other associated corporations*

Mr. Raymond Kwok Ping-luen had the following interests in the shares of the following associated corporations:

Name of associated corporation	Beneficial owner	Attributable holding through corporation	Attributable percentage of shares in issue through corporation	Actual holding through corporation	Actual percentage interests in issued shares
Superindo Company Limited	10	—	—	—	10
Super Fly Company Limited	10	—	—	—	10
Splendid Kai Limited	—	2,500**	25	1,500	15
Hung Carom Company Limited	—	25**	25	15	15
Tinyau Company Limited	—	1**	50	1	50
Open Step Limited	—	8**	80	4	40

\*\*Note: Messrs. Walter Kwok Ping-sheung, Thomas Kwok Ping-kwong and Raymond Kwok Ping-luen were deemed to be interested in these shares, which represented the same interests and were therefore duplicated amongst these three persons for the purpose of the SFO. Those shares were held by corporations in which they were entitled to control the exercise of  $\frac{1}{3}$  or more of the voting rights in the general meetings of those corporations.

The interests of the directors and chief executive in the share options of the Company and its associated corporations are being regarded for the time being as unlisted physically settled equity derivatives. The details of the share options of the Company are stated under the Share Option Schemes section above.

Save as disclosed above, at 31 December 2003, none of the directors and chief executive (including their spouses and children under 18 years of age) and their respective associates had or deemed to have any interests or short positions in shares, underlying shares or debentures of the Company, its subsidiaries or any of its associated corporations that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules.



## DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

At 31 December 2003, the following parties (other than the directors and chief executive of the Company) had interests of 5 per cent. or more in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or as notified to the Company:

Name of shareholder	Note	Number of shares interested	Percentage of shares to issued share capital
Cellular 8 Holdings Limited ("Cellular 8")	1 and 2	283,670,075	48.48
Sun Hung Kai Properties Limited ("SHKP")	1 and 2	298,091,397	50.95
Marathon Asset Management Limited		46,978,373	8.03

Notes:

1. For the purposes of the SFO, the interest of Cellular 8 in the 283,670,075 shares of the Company noted above against the name of Cellular 8 is also attributed to SHKP on the basis that SHKP controls  $\frac{1}{3}$  or more of Cellular 8. The number of shares noted above against the name of SHKP therefore duplicates the interest of Cellular 8.
2. For the purposes of the SFO, the same interest of Cellular 8 is also attributed to those subsidiaries of SHKP through which SHKP holds its interest in Cellular 8. These subsidiaries are TFS Development Company Limited and Fourseas Investments Limited.

Save as disclosed above, no other parties had registered as having an interest of 5 per cent. or more in the shares or underlying shares of the Company or having short positions as recorded in the register kept under section 336 of the SFO.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 31 December 2003, the Company repurchased 317,500 shares on the Stock Exchange. These repurchased shares were subsequently cancelled after 31 December 2003. Please refer to note 15 of the notes to condensed interim financial statements for details of the repurchases.

The aggregate price of the repurchased shares (before expenses) in the amount of \$2,397,125 has been charged against the retained profits and contributed surplus accounts. A sum equivalent to the nominal value of the repurchased shares amounting to \$31,750 will be transferred from retained profits to capital redemption reserve during the six months ending 30 June 2004.

Save as disclosed above, at no time during the six months period ended 31 December 2003 was there any purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares.

## OTHER INFORMATION

### AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for the Formation of an Audit Committee" published by Hong Kong Society of Accountants.

The Audit Committee of the Company held a meeting on 1 March 2004 and reviewed the relevant interim financial statements and report of the Group for the six months period ended 31 December 2003. The Committee was content that the accounting policies of the Group are in accordance with the current best practice in Hong Kong. The Committee found no unusual items that were omitted from the financial statements and was satisfied with the disclosures of data and explanations shown in the financial statements.

The interim financial statements for the six months ended 31 December 2003 have not been audited but have been reviewed by the Company's external auditors.

### CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate that the Company is not or was not in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules for any part of the accounting period covered by the interim report, except that the non-executive directors of the Company are not appointed for specific terms. However, the non-executive directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's bye-laws.

The financial information disclosed above complies with Appendix 16 of the Listing Rules and has been reviewed by the Audit Committee and the auditors before being put forward to the directors for approval.

By order of the Board

**Maria Li**

*Company Secretary*

Hong Kong, 9 March 2004