

Highlights of Group Results

- ◆ Unaudited profit amounted to HK\$1,680 million, an increase of 28%.
- ◆ Earnings per share were HK\$0.69 (2003: HK\$0.53).
- ◆ Interim dividend: 32.75 cents per share.
- ◆ Turnover was HK\$5,739 million, an increase of 5% (2003: HK\$5,463 million).
- ◆ Operating profit before borrowing costs was HK\$2,520 million, an increase of 6% (2003: HK\$2,368 million).
- ◆ Property investment: revenue increase of 7% to HK\$2,241 million. Operating profit increased by 7% to HK\$1,554 million, within which operating profit of hotel business increased by HK\$123 million.
- ◆ Share of associates' profits (mainly from associates undertaking property development) increased by HK\$92 million to HK\$146 million.
- ◆ CME (Communications, Media and Entertainment): total revenue increased by 10% to HK\$1,931 million. Operating profit up 12% to HK\$223 million.
- ◆ Logistics: total revenue (mainly contributed by the 55.3%-owned Modern Terminals) dropped 1% to HK\$1,515 million. Operating profit also down 3% to HK\$831 million.
- ◆ Net borrowing costs decreased by 57% to HK\$131 million (2003: HK\$305 million). Average borrowing costs was 1.6% p.a. (2003: 3.1% p.a.).
- ◆ Consolidated net asset value was HK\$21.46 per share (as at December 31, 2003: HK\$21.09 per share).
- ◆ Debt ratios: as at June 30, 2004, the ratio of net debts to total assets reduced to 19.5% and the ratio of net debts to shareholders' equity decreased to 29.3% (as at December 31, 2003: 21.4% and 32.9% respectively).
- ◆ As at June 30, 2004, planned capital expenditure of the Group totalled HK\$5.6 billion, of which HK\$2.9 billion are for property (8 million sq ft) under development for trading and long term investment in mainland China.

Group Results

The unaudited Group profit attributable to Shareholders for the six months ended June 30, 2004 amounted to HK\$1,680 million, an increase of 28%, compared to HK\$1,309 million achieved for the corresponding period last year. Earnings per share were 69 cents (2003: 53 cents).

Interim Dividend

An interim dividend in respect of the year ended December 31, 2003 of HK\$802 million was paid by way of (a) cash in an aggregate sum of HK\$294 million, equivalent to 12 cents per share, and (b) distribution of 244,747,663 shares of HK\$1.00 each in the share capital of i-CABLE Communications Limited ("i-CABLE Shares") held by the Company, with a value of HK\$2.075 per i-CABLE Share, being the closing price per i-CABLE Share on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as at August 19, 2003. On this basis, the interim dividend for the half-year period ended June 30, 2003 was 32.75 cents per share in total.

The Board has declared an interim dividend in respect of the half-year period ended June 30, 2004 of 32.75 cents per share, payable on Tuesday, October 19, 2004 to Shareholders on record as at October 12, 2004.