



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

Annual Results Announcement 2001/20002

RESULTS

The audited consolidated results for the year ended 30 June 2002 are as follows:

Consolidated profit and loss account

	Note	As restated	
		2002 HK\$m	2001 HK\$m
Turnover	1	22,874.6	24,382.4
Cost of sales		(15,623.7)	(18,038.7)
Gross profit		7,250.9	6,343.7
Other revenues		93.4	34.5
Other (charge)/income	2	(774.2)	(1,079.4)
Selling and marketing expenses		(423.7)	(432.7)
Administrative expenses		(1,144.1)	(1,243.1)
Other operating expenses		(1,899.7)	(1,852.3)
Operating profit before financing costs and income	1	3,102.6	1,770.7
Financing costs		(2,017.7)	(2,451.2)
Financing income		615.1	912.7
Operating profit	3	1,700.0	232.2
Share of results of			
Associated companies		250.5	307.1
Jointly controlled entities		314.6	578.4
Profit before taxation		2,265.1	1,117.7
Taxation	4	(524.7)	(494.9)
Profit after taxation		1,740.4	622.8
Minority interests		(465.0)	(576.4)
Profit attributable to shareholders		1,275.4	46.4
Dividends			
Interim paid HK\$0.10 per share (2001 – HK\$0.10)		214.9	212.3
Proposed final HK\$0.10 per share (2001 – HK\$0.10)		216.6	213.4
		431.5	425.7
Earnings per share – Basic	5	HK\$0.60	HK\$0.02
Dividends per share for the year		HK\$0.20	HK\$0.20

Notes:

1. Segment information

The Group's turnover and contribution from operations are analysed as follows:

a Business segments

	Construction								Elimin- ations	Consolidated
	Rental HK\$m	Property sales HK\$m	and engineering HK\$m	Hotel and restaurant HK\$m	Infra- structure HK\$m	Telecom- munications HK\$m	Others HK\$m			
Year 2002										
External sales	1,489.4	4,308.6	6,881.2	1,621.9	676.1	2,554.8	5,342.6	-	-	22,874.6
Intra-segment sales	123.1	-	1,314.3	-	-	6.7	123.6	(1,567.7)	-	-
Total turnover	1,612.5	4,308.6	8,195.5	1,621.9	676.1	2,561.5	5,466.2	(1,567.7)	-	22,874.6
Segment results	777.1	2,260.9	392.4	325.3	197.3	23.7	385.8			4,362.5
Other (charge)/income	(102.9)	(903.4)	-	(43.5)	(55.3)	191.3	139.6			(774.2)
Unallocated corporate expenses										(485.7)
Operating profit before financing costs and income										3,102.6
Year 2001										
External sales	1,507.6	4,898.4	7,198.0	2,571.8	788.1	2,922.8	4,495.7	-	-	24,382.4
Intra-segment sales	208.4	-	1,318.8	-	-	6.9	129.0	(1,663.1)	-	-
Total turnover	1,716.0	4,898.4	8,516.8	2,571.8	788.1	2,929.7	4,624.7	(1,663.1)	-	24,382.4
Segment results	908.7	588.2	333.1	825.9	341.5	(196.6)	527.2			3,328.0
Other (charge)/income	(40.0)	(283.6)	-	(14.1)	(562.9)	99.6	(278.4)			(1,079.4)
Unallocated corporate expenses										(477.9)
Operating profit before financing costs and income										1,770.7

b Geographical segments

	Turnover HK\$m	Operating profit/(loss) before financing costs and income	
		HK\$m	HK\$m
Year 2002			
Hong Kong and Southeast Asia	18,465.8		3,684.8
Mainland China	4,408.8		(582.2)
	22,874.6		3,102.6
Year 2001			
Hong Kong and Southeast Asia	20,801.7		1,478.1
Mainland China	3,580.7		292.6
	24,382.4		1,770.7

2. Other (charge)/income

	2002 HK\$m	2001 HK\$m
Amortisation of negative goodwill/(goodwill)		
Associated companies	15.7	-
A jointly controlled entity	(1.1)	-
Subsidiary companies	(8.5)	-
Impairment		
Fixed assets	(166.3)	-
Goodwill	(2.1)	(262.5)
Jointly controlled entities	(41.4)	-
Loss on dilution of interests in subsidiary companies	(132.3)	(22.9)
Loss on disposal of		
Associated companies	-	(426.1)
Jointly controlled entities	-	(5.5)
Other investments	(2.1)	(194.2)
Subsidiary companies	(51.7)	(8.4)
Profit on disposal of		
Associated companies	4.7	121.2
Jointly controlled entities	114.9	99.4
Other investments	201.0	182.4
Subsidiary companies	492.1	65.3
Profit on repurchase of convertible bonds	-	1.8
Surplus on liquidation of subsidiary companies	-	7.7
Surplus on liquidation of an associated company	-	1.8
Provision for advances to joint ventures	(535.4)	(312.6)
Provision for diminution in value of properties held for sale	(325.6)	(221.7)
Provision for investment in		
An associated company	(37.3)	-
A joint development project	(75.0)	(40.0)
Jointly controlled entities	(67.7)	-
Listed shares	(59.2)	(109.7)
Unlisted shares	(189.5)	(203.9)
Write back of provision for		
Advance to an associated company	92.6	5.0
Diminution in value of properties held for sale	-	231.0
Investment in unlisted shares	-	12.5
	(774.2)	(1,079.4)

3. Operating profit

Operating profit of the Group is arrived at after charging the following:

	2002 HK\$m	2001 HK\$m
Cost of inventories sold	4,028.5	5,894.0
Depreciation	1,174.2	1,048.0

4. Taxation

Hong Kong profits tax is provided at the rate of 16% (2001: 16%) on the estimated assessable profits for the year. Tax on overseas profits has been calculated on the estimated taxable profits for the year at the rate of taxation prevailing in the countries in which the Group operates.

	2002 HK\$m	2001 HK\$m
Company and subsidiary companies		
Hong Kong profits tax	256.4	249.8
Overseas taxation	45.5	38.7
Deferred taxation	38.1	6.5
Associated companies		
Hong Kong profits tax	68.6	71.1
Overseas taxation	6.4	42.1
Jointly controlled entities		
Hong Kong profits tax	43.0	29.5
Overseas taxation	57.0	57.2
Deferred taxation	9.7	-
	524.7	494.9

5. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$1,275.4 million (2001 as restated: HK\$46.4 million) and the weighted average number of 2,142.3 million (2001: 2,119.0 million) shares in issue during the year.

No dilution effect was resulted on the earnings per share for the current year and the previous year after taking into account the potential dilutive effect of the conversion of the outstanding convertible bonds.

6. Comparative figures

Due to the adoption of revised and new Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants during the year, the presentation of the consolidated profit and loss account has been revised to comply with the new requirements. Accordingly certain comparative figures have been adjusted and reclassified to conform with the current year's presentation.

DIVIDENDS

The Directors have resolved to recommend total final dividend of HK\$0.10 per share (2001: HK\$0.10 per share) comprising a cash dividend of HK\$0.01 per share (which is being paid in order to ensure that the shares of the Company continue to qualify as Authorised Investments for the purpose of the Trustee Ordinance of Hong Kong) and a scrip dividend by way of an issue of new shares equivalent to HK\$0.09 per share with a cash option to shareholders registered on 26 November 2002. Together with the interim dividend of HK\$0.10 per share paid in June 2002 total distribution for 2002 would thus be HK\$0.20 per share (2001: HK\$0.20 per share).

Subject to the Listing Committee of the Stock Exchange of Hong Kong Limited ("the Stock Exchange") granting listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholder could elect to receive in cash and that they be given the option to elect to receive payment in cash of HK\$0.10 per share instead of the allotment of shares. Full details of the scrip dividend will be set out in a letter to be sent to shareholders together with a form of election for cash on or about 26 November 2002.

BOOK CLOSE DATES

Book close dates (both days inclusive)	: 19 November 2002 to 26 November 2002
Latest time to lodge transfer with Registrar	: 4 p.m., Monday, 18 November 2002
Address of Registrar	: Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiary companies has purchased, sold or redeemed any of the Company's shares during the year.

BUSINESS REVIEW

PROPERTY

Hong Kong Property Development

Despite a sluggish macroeconomic environment in Hong Kong, the Group's property sales were satisfactory. During the period under review, the Group recorded sales revenues of over HK\$4,300 million. This sum represents proceeds from sales of residential projects including Monte Carlton and Sereno Verde Phase I, the sale of the Regent Hotel. The Group also shares the results of the sale of residential flats in Villa Carlton, Tung Chung Crescent and the Belcher's.

The Group is dedicated to delivering high-quality developments to satisfy the needs of homebuyers while maintaining stringent cost controls. In the coming financial year, the Group expects to have 8 residential projects (with various interests depicted in the table below) – comprising over 6,400 flats – ready for sale.

Projects	Location	Saleable Area (sq.ft.)	Gross No. of Units	Group's Interest (%)
Sky Tower	Kowloon City	1,500,368	2,208	20.0
Queen Street	Sheung Wan	840,000	1,148	50.0
11-15 MacDonnell Road	Mid-Level	62,780	28	33.3
2 Park Road	Mid-Level	150,280	148	100.0
King's Park	Homantin	1,000,000	700	30.0
Sereno Verde Phase II	Yuen Long	441,580	528	56.0
Seaview Crescent	Tung Chung	1,015,069	1,536	16.4
Bijou Apartments	Mongkok	76,412	171	50.0
Total		5,086,489	6,467	

The Group now has 40 property development projects with a total attributable gross floor area (GFA) of 11.7 million sq.ft.. The Group recently acquired interests in 5 projects: 440-442 Prince Edward Road West; 7-10 West End Terrace; Piper's Hill NKIL6378; Fanling Sheung Shui Town Lot No. 182; and various lots in DD51 and MTR Tseung Kwan O Station Package 1, Area 55b. Upon completion, the total GFA of these projects will exceed 3 million sq.ft..

At present, the Group's attributable agricultural land bank amounts to nearly 20 million sq. ft.. The Group plans to finalise land premium payments for the conversion of land use and/or land exchange applications for 10 residential projects with a total attributable GFA of over 3.5 million sq.ft.. The Group will be cautious when assessing new property projects acquisitions under the prevailing market conditions.

Hong Kong Property Investment

Gross rental for the Group's investment properties in Hong Kong amounted to HK\$1,612.5 million, a 6% decrease. Notwithstanding the deflationary economic environment and weak consumer spending, the Group has held fast to its commitment to upgrading its investment properties to ensure they are competitive. The Group has also tried to maintain and raise occupancy of its portfolio.

New World Centre, the Group's flagship investment property, completed a major refurbishment programme of its shopping mall in mid-2001 to accommodate a diversified mix of renowned retailers. More recently, "The Amazon" (formerly known as Palace Mall) featuring the Teddy Bear Kingdom on its basement level. With the opening of the Teddy Bear Kingdom in August 2002, the pedestrian traffic flow has increased substantially. New tenants were secured as a result and occupancy is expected to improve in the coming year.

During the year, despite the ample supply of office space in Central and neighbouring areas, New World Tower and Manning House achieved near 90% occupancy while the Methodist House was almost 80% leased. The Group's major shopping malls – including Discovery Park Shopping Mall, Telford Plaza and Pearl City – all attained virtually full occupancy.

As part of its continuing efforts to improve the value of its portfolio, the Group is upgrading facilities and enhancing its image of investment properties. Two major new projects include the multi-purpose complex in Hanoi Road and the extension of the New World Centre in Tsim Sha Tsui. The Hanoi Road project is adjacent to the planned KCR and MTR underground interchanges. When completed, the two projects will have a total GFA of about 2 million sq. ft. and the Group's properties in Tsim Sha Tsui will all be interconnected by passenger subways.

Hotels and Restaurants

The Group now has a total of 16 hotels in Hong Kong, Mainland China and Southeast Asia. Contributions from the Group's hotels have dropped due to the sale of the Regent in August 2001 and drop in room rates for some hotels.

The Group's 3 hotels in Hong Kong, including the Grand Hyatt Hong Kong, Renaissance Harbour View Hotel and New World Renaissance Hotel, maintained stable occupancy. This was due to the fall in overseas business travellers after the September 11 event being offset by the increase in tourist arrivals from Mainland China.

The Group's 4 hotels in Southeast Asia – New World Renaissance Hotel in Makati, New World Hotel and Renaissance Riverside Hotel in Ho Chi Minh City and New World Renaissance Hotel in Kuala Lumpur- all have achieved an improvement in occupancy during the year. The Group's 9 hotels in Mainland China recorded an increase in operating profit and occupancy rates, reflecting the country's steady economic growth and the early benefits accruing from China's accession to the World Trade Organization ("WTO").

China Property

New World China Land Limited ("NWCL"), the Group's 70%-owned PRC property arm, recorded a profit attributable to shareholders of HK\$137.1 million.

NWCL proposed a first-time dividend of HK\$ 0.02 per share with continued increase in cash flow. NWCL's property portfolio currently comprises 39 major development projects across 19 cities with a total GFA of 189 million sq. ft. and 10 completed investment properties comprising hotels, offices, shopping malls and resorts with a total GFA of over 5.3 million sq. ft..

During the year, NWCL completed 17 property development projects with a total GFA of 10.25 million sq.ft. in 11 cities. The majority of these projects are residential and strong sales were recorded during the year. In FY2003, NWCL will complete 19 property development projects in 12 cities with a total GFA of 11.9 million sq. ft.. With the increase in completion of development properties, the marketplace is seeing compelling evidence of our ability to deliver quality projects and our brand is becoming increasingly recognised.

In the next financial year, 4 investment projects with a total GFA of 4.4 million sq.ft. are scheduled to be completed of which 2 of them are located in Shanghai – Hong Kong New World Tower and Ramada Plaza which are scheduled for completion by the end of 2002. Together with Nanjing New World Centre and Dalian New World Centre Phase II, both of which are set for completion in FY2003, they will significantly enhance the Group's rental income.

INFRASTRUCTURE

In the financial year ended 30 June 2002, New World Infrastructure Limited ("NWI"), affected mainly by the following two factors, recorded a loss of HK\$148.4 million as compared to the prior year's HK\$94.1 million (as restated due to the impairment loss on goodwill previously written-off to reserves now adjusted in the profit and loss account).

Firstly, Attributable Operating Profit ("AOP") decreased by HK\$283.6 million to HK\$874.2 million. The reduction in AOP came mainly from the Bridge Segment and Energy Segment, which accounted for HK\$404.4 million of the AOP as compared to HK\$618.9 million in FY2001. The attributable operating loss of Telecommunications Media Technology ("TMT") Segment amounted to HK\$102.4 million, an increase of HK\$69.1 million over FY2001.

Secondly, non-recurring items comprising mainly impairment losses and provision for diminution in value of certain investments amounted to HK\$331.1 million. The total non-recurring losses were offset by the profit on disposal of a 9.75% effective interest in Asia Container Terminals Limited, the joint developer of Container Terminal No. 9, which amounted to HK\$135.5 million.

SERVICES

New World Services Limited ("NWS"), the Group's 51%-owned service arm, reported a 3.6% increase in net profit to HK\$848.7 million. During the year, all operations (Contracting and Engineering, Facilities, Transport, Financial and Environmental) faced a difficult economic environment throughout the year. Nevertheless, it achieved a net profit margin of 7.3% despite the highly competitive nature of the services industry. The diversity of its operations has helped NWS weather the economic downturn, with subsidiaries that post growth compensating for businesses facing difficulties. This synergy helps to provide stability in maintaining profitability.

Contracting and Engineering

Despite the depressed construction market in Hong Kong, the Contracting and Engineering operation reported a 7.8% increase in profit, mainly attributable to the successful cost control measures implemented during the year. The operation has also been successful in securing many new contracts. To further enhance its competitiveness, the operation is seeking to tap new opportunities in Mainland China through strategic alliances with local contracting companies. In response to increased competition, the operation will continue to focus on quality and training.

Facilities

The impact of the September 11 event led to a lower occupancy at the Hong Kong Convention and Exhibition Centre ("HKCEC"). To maintain profitability, efforts are underway to attract international organisers and to boost the HKCEC's exhibition portfolio.

The other facilities businesses – property management as well as security and guarding – reported lower margins under the current economic environment. Nonetheless, Urban Property Management Limited recorded increased turnover and maintained its position as Hong Kong's market leader in property management. This operation continues to strive for service excellence through training while focusing on Government outsourcing opportunities.

Transport

The Transport operation achieved stable growth in turnover and improved profitability due to vigorous cost-saving measures, falling fuel prices and declining interest rates. During the year, New World First Bus ("NWFB") continued to expand its network. With the successful addition of 8 new routes, including 4 new routes serving Tseung Kwan O new town, NWFB operated a total of 100 routes as at 30 June 2002.

Financial and Environmental Services

These 2 operations provide an extremely wide range of services spanning from landscape design, maintenance services, landfill technology to integrated financial services. In January 2002, the Financial services operation acquired Tengis Limited through Tricor Holdings Limited, which is under the process of being merged with Secretaries Limited to allow for greater cost savings and more efficient use of resources. NWS has a 23% equity interest in such investment. Both operations recorded moderate earnings growth during the year.

TELECOMMUNICATIONS

New World Mobility

It has been a successful year for New World Mobility ("NWM"). A strong emphasis on cost control, high network efficiency and continuing service quality enabled NWM to achieve a net profit. The subscriber base as at June 2002 exceeded 720,000, with a gross ARPU (Average Revenue Per User) of HK\$260. As of now the subscriber base has climbed to 770,000.

The introduction of a series of customer-oriented services and innovative applications successfully expanded NWM's revenue sources. These include a service for downloading logos and ringtones, a movie ticketing service, and the provision of financial information and mobile games. Despite a highly competitive environment, the market responded enthusiastically.

As an ongoing service strategy, NWM will continue to work with third party content providers to provide innovative and customer-oriented services to different user segments. Meanwhile, NWM is ready to introduce more high-speed 2.5G mobile communications services, such as the upcoming launch of the first-to-market videostreaming services using 2.5G technology scheduled for the third quarter of 2002.

New World Telephone

Leveraging its expanded market coverage and improved network infrastructure, New World Telephone ("NWT") fixed-line service now covers over 5,500 buildings or over 1 million homes. In the past year, the number of lines grew to 102,000, an improvement of more than 100%. During the year, NWT was the first FTNS operator in Hong Kong to enter into a bilateral agreement with China Telecom to deploy an MPLS-based IP-VPN (Virtual Private Network) service, a technology powered by Cisco Systems. NWT is taking the lead in the MPLS-based IP-VPN market.

As part of its regional expansion plan, NWT now has 23 bilateral partners, an increase from 17 in the previous year. All these partners are renowned carriers. NWT has also extended its capability to provide international voice and data services through investments in a range of global submarine cable systems, including APCN, APCN-2, FLAG-FNAL, Japan-US CN, China-US CN, Sea-Me-We-3, EAC and PC-1.

During the year, NWT established a strategic marketing network in key cities in Mainland China and Vietnam ensuring that NWT is now well positioned to capture the significant revenue opportunities expected to arise throughout the Greater China region and beyond following China's successful WTO accession.

Meanwhile, NWT continues to strengthen its brand in Hong Kong's IDD market. It has successfully sustained market share at 15% with traffic now standing at 521 million minutes, a growth of 11% over the previous year. More importantly, NWT maintained its leadership in prepaid calling cards with a 41% market share.

STRATEGIC BUSINESSES

New World Department Store

As at the end of June 2002, New World Department Stores Limited ("NWDS") had 13 department stores and 4 supermarkets with a total GFA of over 3.9 million sq. ft. in Hong Kong and 8 cities in Mainland China. During the year under review, NWDS opened 4 department stores namely Shanghai – Hong Kong New World Department Store, Wuhan Trendy Plaza, Shanghai Xinning Trendy Plaza and Shanghai New World Supermarket. We also commenced management of Tianjin New World Xin An Shopping Centre. Total sales at these stores during the year amounted to HK\$1,902 million. Even excluding the new stores, the total sales increase over the previous year was 26%.

New World China Enterprises Projects Limited

Through New World China Enterprises Projects Limited ("NWCEP"), the Group invests in 4 core business sectors in Mainland China: healthcare, consumer products, building materials, and automotive mid-stream and down-stream services. NWCEP is also the project manager for New World Liberty China Ventures Limited, established in December 2000 as a strategic alliance with Liberty Mutual Group of the United States and other investors.

CORPORATE FINANCE

As at 30 June 2002, the Group's cash and bank deposits decreased from last year's HK\$9,809.6 million to HK\$7,093.9 million. Its consolidated net debt amounted to HK\$30,135.0 million (2001: HK\$ 27,332.1 million), translating into a gearing ratio of 56% (FY2001: 47%).

As at 30 June 2002, less than one-third of the total outstanding loans were secured by the Group's assets.

Amount of debt due within the FY2003 amounts to HK\$17,058.9 million. Our cash on hand as of 30 June 2002 was HK\$7,093.9 million and a syndicated term loan of HK\$3,130 million was closed in August 2002. These, together with the operating cash inflow and the remaining undrawn banking facilities, would enable the Group to satisfy its commitments and working capital requirements.

Over 77% (FY2001: 82%) of the Group's total debts are on a floating rate basis, whilst fixed rate borrowings mainly related to the RMB loan facilities and convertible bonds. The interest cover was 1.8 times as compared to 1.1 times in FY2001.

Other than the above mentioned, the information which requires disclosure under paragraphs 32 and 45(2) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange has not changed materially from those published in the report and accounts for the year ended 30 June 2001.

EMPLOYEES

The Group has over 26,100 employees at 30 June 2002, compared to 25,800 at 30 June 2001. Remuneration policies are reviewed yearly. Remuneration and bonuses are awarded to employees based on individual performances and market practices. Education subsidies will be granted to employees who are taking job-related courses. Periodic in-house training programs are also offered. Under the share option schemes of NWI and NWCL, options may be granted to certain directors of the Company and certain employees of the Group to subscribe for shares in NWI and/or NWCL at HK\$10.2 and HK\$12.0 for NWI and HK\$1.955 for NWCL.

OUTLOOK

Despite the global economic slowdown, Mainland China remains a market with unprecedented potential. For many years now it has been one of the fastest-growing regions in the world. Hong Kong is uniquely positioned as the best place to integrate itself with the fast-growing Pearl River Delta and to capitalize on the opening up of Mainland China's economy and markets. With the Group's firm establishment in Hong Kong and Mainland China, we have a major competitive advantage in terms of being able to grasp future opportunities to benefit our growth.

The Group will continue to strengthen operations within its four core divisions of Property, Infrastructure, Services and Telecommunications in Hong Kong and Mainland China. This diversity gives us multiple earnings streams to mitigate the impact of periodic economic fluctuation.

With an historic low interest rate environment and much improved affordability, together with more market-driven Government housing policy, the property market in Hong Kong is expected to improve. The Group expects to launch more residential units to the market in the coming year with the aim to generate stronger cash flow from property sales to the Group.

In Mainland China, the Group has achieved encouraging sales of its property projects. The Group expects to see increased contribution from its Mainland China property operations in coming years with the increase in completion of property projects.

With well-established positions in their respective fields, the Group will continue to strengthen its service and infrastructure businesses by growing market share and pursuing growth opportunities.

The Group's telecommunications businesses have started to bear fruit with both the mobile and fixed network businesses showing encouraging results. We will enhance our competitiveness by putting strong emphasis on providing innovative and customer-oriented services.

With each business now having gained clear momentum and scale, the Group is assured with solid and sustainable earnings in the years to come despite the uncertainties in the global economy.

DETAILED RESULTS ANNOUNCEMENTS

All the financial and other related information of the Company required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange will be published on the Stock Exchange's website in due course.

Dr. Cheng Kar-Shun, Henry
Managing Director
Hong Kong, 18 October 2002



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Members of the Company will be held at Meeting Room 201B (New Wing), Hong Kong Convention & Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 26 November 2002 at 12:00 noon for the following purposes:

- To consider and adopt the audited Statement of Accounts and the Reports of Directors and Auditors for the year ended 30 June 2002.
- To declare a final dividend.
- To re-elect Directors and authorise the Directors to fix their remuneration.
- To re-appoint Joint Auditors and authorise the Directors to fix their remuneration.

By Order of the Board
LEUNG Chi-Kin, Stewart
Company Secretary
Hong Kong, 18 October 2002

Notes:

- Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on behalf of the member. A proxy need not be a member of the Company.
- To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the registered office of the Company at 30th Floor, New World Tower, 18 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting (as the case may be).
- The register of members of the Company will be closed from 19 November 2002, Tuesday to 26 November 2002, Tuesday, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 18 November 2002, Monday.