



新創建集團有限公司\*  
NWS Holdings Limited  
(incorporated in Bermuda with limited liability)

(stock code: 0659)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2004

FINANCIAL HIGHLIGHTS

Turnover: HK\$12,552.9 million  
Profit attributable to shareholders: HK\$1,538.2 million  
Earnings per share: HK\$0.86  
Proposed final dividend: HK\$0.25 per share

RESULTS

The board of directors (the "Directors") of NWS Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiary companies (collectively the "Group") for the year ended 30 June 2004 together with comparative figures for the year ended 30 June 2003, as follows:

Consolidated Profit and Loss Account  
For the year ended 30 June 2004

	Note	2004 HK\$'m	As restated 2003 HK\$'m
Turnover	1	12,552.9	5,770.0
Cost of sales		(11,180.9)	(5,176.1)
Gross profit		1,372.0	593.9
Other income		493.5	58.0
Recognition of one-off negative goodwill		-	474.0
Annual amortization of net negative goodwill		70.8	69.0
General and administrative expenses		(983.1)	(464.1)
Other charges		(405.4)	(74.8)
Operating profit	2	547.8	656.0
Finance costs		(280.8)	(194.1)
Share of results of			
Jointly controlled entities		1,127.5	591.8
Associated companies		493.0	317.3
Profit before taxation		1,887.5	1,371.0
Taxation	3	(329.5)	(160.2)
Profit after taxation		1,558.0	1,210.8
Minority interests		(19.8)	(17.6)
Profit attributable to shareholders		1,538.2	1,193.2
Dividends	4	718.7	367.6
Earnings per share	5		
Basic		HK\$0.86	HK\$1.36
Diluted		HK\$0.86	N/A

# The Group completed its reorganization on 29 January 2003 under which, the existing ports businesses of the Group were combined with the acquired services business and infrastructure assets. As a result, the Group's profitability for the year ended 30 June 2004 was substantially changed from the position presented in the above results for the year ended 30 June 2003.

The management has provided an analysis which compares the results of the acquired service businesses and infrastructure assets for the year ended 30 June 2004 with the corresponding unaudited full year results for the year ended 30 June 2003 under the section headed "Financial and Operational Review" below.

Notes:

1. Turnover and segment information

The Group is principally engaged in container handling, logistics and warehousing, infrastructure operations, facilities, contracting, transport and other services. The Group's turnover and contribution from operations are analyzed as follows:

a. Business segments

	2004									Consolidated HK\$'m
	Container handling, logistics and warehousing HK\$'m	Roads and bridges HK\$'m	Energy, water treatment and waste management HK\$'m	Facilities HK\$'m	Contracting HK\$'m	Transport HK\$'m	Others HK\$'m	Eliminations HK\$'m		
External sales	17.3	368.4	0.9	3,001.6	7,696.5	1,138.1	330.1	-	12,552.9	
Inter-segment sales	-	-	-	142.6	473.0	0.2	22.0	(637.8)	-	
Total turnover	17.3	368.4	0.9	3,144.2	8,169.5	1,138.3	352.1	(637.8)	12,552.9	
Segment results	13.8	161.9	10.6	383.1	22.9	72.1	38.5	-	702.9	
Annual amortization of net negative goodwill	-	(3.5)	-	10.8	88.3	(6.4)	(18.4)	-	70.8	
Profit/(loss) on disposal of subsidiary companies	(3.3)	194.0	201.6	-	-	-	-	-	392.3	
Profit on disposal of a jointly controlled entity	-	13.1	-	-	-	-	-	-	13.1	
Impairment loss on investment in a jointly controlled entity	-	-	(29.0)	-	-	-	-	-	(29.0)	
Impairment loss on goodwill of an associated company	(310.0)	-	-	-	-	-	-	-	(310.0)	
Impairment loss on fixed assets	(36.0)	-	-	-	(0.4)	-	-	-	(36.4)	
Loss on disposal of fixed assets	(26.7)	-	-	-	-	-	-	-	(26.7)	
Unallocated corporate expenses	-	-	-	-	-	-	-	-	(229.2)	
Operating profit									547.8	

As restated  
2003

	2003									Consolidated HK\$'m
	Container handling, logistics and warehousing HK\$'m	Roads and bridges HK\$'m	Energy, water treatment and waste management HK\$'m	Facilities HK\$'m	Contracting HK\$'m	Transport HK\$'m	Others HK\$'m	Eliminations HK\$'m		
External sales	12.8	182.6	1.2	717.6	4,158.2	603.3	94.3	-	5,770.0	
Inter-segment sales	-	-	-	62.9	411.5	-	11.1	(485.5)	-	
Total turnover	12.8	182.6	1.2	780.5	4,569.7	603.3	105.4	(485.5)	5,770.0	
Segment results	(6.4)	82.6	5.7	81.0	64.2	(8.5)	16.5	-	235.1	
Recognition of one-off negative goodwill	-	-	-	-	176.0	-	298.0	-	474.0	
Annual amortization of net negative goodwill	-	(2.1)	-	10.8	88.3	(9.6)	(18.4)	-	69.0	
Profit on disposal of a subsidiary company	-	27.1	-	-	-	-	-	-	27.1	
Impairment loss on fixed assets	(70.0)	-	-	-	(2.2)	(2.6)	-	-	(74.8)	
Unallocated corporate expenses	-	-	-	-	-	-	-	-	(74.4)	
Operating profit									656.0	

b. Geographical segments

	2004 Turnover HK\$'m	Segment results HK\$'m	2003 Turnover HK\$'m	Segment results HK\$'m
Hong Kong	10,527.2	501.1	4,362.2	157.9
Mainland China	1,733.8	197.1	1,405.8	75.5
Others	291.9	4.7	2.0	1.7
	12,552.9	702.9	5,770.0	235.1

2. Operating profit

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

	2004 HK\$'m	2003 HK\$'m
Crediting:-		
Profit on disposal of subsidiary companies	395.6	27.1
Profit on disposal of a jointly controlled entity	13.1	-
Gross rental income from investment properties	40.5	14.5
Less: Outgoings	(10.6)	(5.6)
	29.9	8.9
Charging:-		
Cost of inventories sold	780.7	176.3
Depreciation	441.7	241.0
Other charges		
Loss on disposal of a subsidiary company	3.3	-
Loss on disposal of fixed assets	26.7	-
Impairment loss on goodwill of an associated company	310.0	-
Impairment loss on investment in a jointly controlled entity	29.0	-
Impairment loss on fixed assets	36.4	74.8
	405.4	74.8

3. Taxation

Hong Kong profits tax is provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profit for the year. Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2004 HK\$'m	As restated 2003 HK\$'m
Company and subsidiary companies		
Hong Kong profits tax	76.1	25.8
Mainland China and overseas taxation	12.8	8.3
Deferred taxation relating to the origination and reversal of temporary differences	25.2	(6.6)
	114.1	27.5
Jointly controlled entities		
Hong Kong profits tax	44.1	27.8
Mainland China and overseas taxation	91.4	16.6
Deferred taxation	14.3	27.9
	149.8	72.3
Associated companies		
Hong Kong profits tax	65.8	53.1
Mainland China and overseas taxation	-	0.1
Deferred taxation	(0.2)	7.2
	65.6	60.4
	329.5	160.2

4. Dividends

	2004 HK\$'m	2003 HK\$'m
Interim dividend paid of HK\$0.15 (2003: Nil) per share	268.7	-
Final dividend proposed of HK\$0.25 (2003: HK\$0.20) per share	450.0	356.2
4% cumulative convertible redeemable preference shares	-	11.4
	718.7	367.6

5. Earnings per share

The calculation of basic earnings per share is based on profit of HK\$1,538.2 million (2003: restated profit of HK\$1,193.2 million less preference share dividend of HK\$11.4 million) and the weighted average of 1,784.5 million (2003: 866.1 million) shares in issue during the year.

The calculation of diluted earnings per share for the year ended 30 June 2004 is calculated based on 1,799.0 million shares which were the weighted average number of 1,784.5 million shares in issue during the year plus the weighted average of 14.4 million shares deemed to be issued at HK\$3.725 and 0.1 million shares deemed to be issued at HK\$6.93, if all outstanding share options had been exercised. The convertible bonds issued during the year would not have a dilutive effect.

The calculation of diluted earnings per share for the year ended 30 June 2003 was not presented as the share options granted by the Company would not have a dilutive effect.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK\$0.25 per share (2003: HK\$0.20) to the shareholders whose names appear on the register of members of the Company on 6 December 2004.

The register of members of the Company will be closed from Wednesday, 1 December 2004 to Monday, 6 December 2004, both dates inclusive, during which period, no transfer of shares will be registered. Dividend warrants will be despatched to shareholders on or about Wednesday, 15 December 2004. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrars in Hong Kong, Standard Registrars Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 30 November 2004.

## FINANCIAL AND OPERATIONAL REVIEW

### Group Overview

The Group reported a profit attributable to shareholders of HK\$1,538 billion for the year ended 30 June 2004 ("FY2004"), an increase of **HK\$345.0** million or 29%, as compared to **HK\$1.193** billion for the year ended 30 June 2003 ("FY2003"). Attributable operating profit ("AOP") rose to **HK\$1.903** billion, an increase of 101%, as compared to **HK\$945.7** million in FY2003. As this is the first year with full year contributions from the service businesses and infrastructure assets acquired in the reorganization completed in January 2003, NWS Service Management Limited ("NWSS") and NWS Infrastructure Management Limited ("NWSI") contributed AOP of **HK\$727.2** million and HK\$806.2 million respectively, as compared to the five-month contributions of HK\$241.0 million and HK\$307.8 million respectively in FY2003. NWS Ports Management Limited ("NWSP") reported an AOP of HK\$369.9 million, representing a decrease of 7% from FY2003. In addition, an annual amortization of net negative goodwill amounted to HK\$70.8 million in FY2004 as compared to HK\$69.0 million in FY2003, while a one-off negative goodwill of **HK\$474.0** million was also recognized in FY2003.

Hong Kong and Mainland China continued to be the two dominant sources of AOP, contributing 55% and 45% respectively. As compared to FY2003, the Group achieved a more balanced investment portfolio by region.

For easier comparison, the performances of NWSS and NWSI are analyzed on full-year basis with the unaudited pro forma results for FY2003 as comparatives.

### NWSS

The overall performance of NWSS for FY2004 was satisfactory, with an AOP of **HK\$727.2** million based on a turnover of HK\$12.166 billion, as compared to an AOP of **HK\$632.1** million in FY2003. Significant improvement was achieved in the Facilities segment and the Transport segment.

### Facilities

The Facilities segment achieved outstanding results with an AOP of **HK\$344.3** million for FY2004, an increase of 33% over FY2003. Hong Kong Convention and Exhibition Centre achieved an excellent result by successfully capturing businesses that were deferred and rescheduled to the first quarter of FY2004 as a result of the SARS outbreak. Wai Hong Cleaning & Pest Control Company Limited and Pollution & Protection Services Limited achieved growth of 38% and 29% in profit. Kiu Lok Group focused on the market in Mainland China and grew turnover by 4% and profit by 8% as compared to FY2003. Urban Property Management Group, despite tough market competitions, continued to contribute a stable profit to the Group and successfully maintained a clientele of over 180,000 residential units under management. Sky Connection Limited, the holding company of Free Duty which sells duty free tobacco and liquor, is a newly acquired business.

### Contracting

The Contracting segment achieved an AOP of **HK\$253.6** million for FY2004, a similar figure to FY2003. Apart from the share of results from the investment in Wai Kee Holdings Limited, the major contributor to the Contracting segment was Hip Hing Construction Group ("Hip Hing"), which contributed over 25% of the segment's AOP for FY2004. NWS Engineering Group ("NWSE") also contributed 10% to the segment's AOP for FY2004. Total contracts-on-hand were worth HK\$17.4 billion with HK\$11.4 billion representing the total value accruing upon completion of these projects. Hip Hing and NWSE each has set up a wholly foreign owned enterprise ("WFOE") in Beijing to compete for local contracting projects. Hip Hing also took a 10% interest in one of the largest construction groups in Mainland China, namely 中建三局建築股份有限公司 (unofficial translation being China Construction Third Engineering Bureau Co., Ltd.).

### Transport

The Transport segment achieved an AOP of HK\$65.7 million for FY2004, 96% above FY2003. Yet, neither New World First Bus Services Limited nor Citybus Limited has regained its profitability back to pre-SARS level. The dramatic increase in oil prices and competition from other modes of transport have further affected their profitability. Under a business reorganization carried out this year, Chow Tai Fook Enterprises Limited ("CTF") and the Company each holds 50% of the total issued share capital of Merryhill Group Limited that encompasses all the transport and related businesses of New World First Holdings Group and Citybus Group. A new bus operation in Kunming also made an immediate profit contribution. New World First Ferry Services Limited contributed a small profit. The guaranteed profit from CTF (the "Guaranteed Profit") ensured the profitability of New World First Ferry Services (Macau) Limited ("NWFF (Macau)").

New World Development Company Limited and the Company made a joint announcement on 12 August 2004 stating the fact that based on the unaudited profit and loss account of NWFF (Macau), there was a shortfall between the net profit attributable to the operation of the vessels owned by CTF and the Guaranteed Profit. According to the audited financial statements of NWFF (Macau), the shortfall amounted to HK\$30.9 million as at 30 June 2004.

### Financial, Environmental and Others

The Financial segment and Environmental segment together with other investments, posted an AOP of HK\$63.6 million for FY2004, 27% below FY2003. The contribution from Tai Fook Securities Group Limited for FY2004 marked a substantial improvement which was in line with the more positive stock market sentiment. Operating results from Tricor also improved.

### NWSI

NWSI managed to maintain stable growth in its profitability in FY2004, with an AOP of HK\$806.2 million as compared to **HK\$769.1** million in FY2003. The Energy segment and the Water Treatment and Waste Management segment benefited from the surging demand for electricity and treated water respectively. The road and expressway projects benefited from the growth in high quality logistics services in Mainland China.

### Energy

The AOP of the Energy segment increased by HK\$66.4 million to **HK\$463.1** million, up 17% from FY2003. Overall electricity sales of Zhuijiang Power Phases I and II increased by 16%. This was mainly due to the rapid growth of local heavy industrial activities. The significant increase in the AOP of Zhuijiang Power Phase I was attributable to the increase in electricity sales. It also reflected the enhanced operating profit that resulted from the extension of the power plant's estimated useful life which in turn reduced the depreciation charge for the year. The performance of Macau Power was satisfactory with a 7% increase in electricity sales. In June 2004, the Group disposed of its 60% interest in Shunde Desheng Power Plant for a consideration of approximately HK\$660 million. The Group also entered into a conditional sale and purchase agreement with a Mainland Chinese party in August 2004 in respect of the disposal of Sichuan Qianwei Power Plant for a consideration of RMB48.0 million.

### Water Treatment and Waste Management

The AOP of the Water Treatment and Waste Management segment increased by 99% to HK\$52.1 million in FY2004. The increase was mainly attributable to a full-year contribution from a project in Chongqing that commenced operations in November 2002 and a net reduction in provision for under-performing projects. The Macao Water Supply Company Limited was once again the highest profit contributor to the Water Treatment segment. The water plant in Sanya City, Hainan Province commenced operation in January 2004 while the project in Tanggu District, Tianjin Municipality is expected to start operation later this year.

### Roads and Bridges

The AOP of the Roads and Bridges segment was **HK\$291.0** million for FY2004, a decrease of 16%. The decrease in AOP was mainly due to certain one-off gains recognized in FY2003. The increase in toll income of Guangzhou City Northern Ring Road by 19% mainly resulted from the change in classification of toll rates/vehicle types that took effect in August 2003 under the Guangdong Province joint toll collection scheme. Average daily traffic flow of Sections I and II of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) increased by 18% and 19% respectively. In November 2003, the Group announced the disposal of the Zhaoqing Roadways Network for a consideration of approximately **HK\$1.168** billion. These disposals were all completed by March 2004. The AOP contribution from the Bridges segment was not significant, owing to the Group's disposals of Tianjin Yonghe Bridge and a bridge project in Zhaoqing. Negotiations of the detailed terms in respect of the compensation from the Wuhan City Government following the cessation of toll collection at the Wuhan Bridges project is still in progress and partial consideration has been received according to the agreed schedule.

### NWSP

NWSP reported a total AOP of HK\$369.9 million, compared to **HK\$396.9** million in FY2003. CSX World Terminals Hong Kong Limited ("CSXWTHK") and ATL Logistics Centre Hong Kong Limited reported a combined AOP of **HK\$314.0** million, a decrease of 9% from FY2003. During the year, CSXWTHK handled approximately 1.11 million TEUs, a decrease of 17% from 1.34 million TEUs recorded in FY2003. The change was mainly due to the loss of a major customer. CSXWTHK is now undertaking aggressive marketing measures to seek replacement customers and implementing cost-saving measures to protect margins. The average occupancy rate of ATL Logistics Centre decreased slightly to 91% in FY2004 from 95% in FY2003. In order to maintain its premier position, ATL Logistics Centre is upgrading both hardware and software to enhance the quality of customer service.

Asia Container Terminals Limited ("ACT") holds an interest in two berths at Container Terminal No. 9 ("CT9"). The exchange of these two CT9 berths for Modern Terminals Limited's two berths at Container Terminal No. 8 West was completed during FY2004.

CSX Orient (Tianjin) Container Terminals Co., Limited contributed AOP that was 6% below FY2003 due to increasing fuel prices and maintenance costs. Xiamen Xiang Yu Quay Co., Ltd. reported a significant increase of 85% in AOP from FY2003, mainly due to the 25% increase in throughput from 482,000 TEUs in FY2003 to 603,000 TEUs in FY2004.

During FY2004, NWSP disposed of a plot of land in Tianjin of approximately 120,000 sq.m. at a loss of around HK\$26.7 million. Due to the loss of a major customer and the current difficult business environment, NWSP incurred impairment loss on goodwill of around **HK\$310.0** million for CSXWTHK. Besides, an impairment loss on fixed assets of around HK\$36.0 million for Xiamen New World Xiangyu Warehouse & Processing Zone Limited was recorded.

### OUTLOOK

The Hong Kong economic rebound continues to favour business recovery in many of the service sectors of Hong Kong. However, the escalating oil price, the start of a new interest-rate cycle in the US, and the cooling off of Mainland China's economy as a result of the macro-economic realignment measures mandated by the Central Government, have had a distinct dampening effect on market sentiment in Hong Kong.

Despite these pressures, the Group believes that NWSS, as a diversified organization with multi-faceted service businesses, is well positioned to withstand the often volatile movements in Hong Kong's economy. The Facilities segment has shown strong recovery and has good growth potential. The Facilities segment is likewise penetrating the Mainland China market. Initiatives include provision of landscaping and plantation services, laundry services as well as property management and agency services. In Contracting, the setting up of WFOEs in Beijing and the strategic investment in a major construction company in Wuhan are both excellent steps forward in this context. In Transport, the direct investment in a public transport operation in Kunming underlines the Group's determination to invest across the border. Synergies in the Transport segment following the business merger are also expected to enhance profit.

Despite measures aimed at curbing excessive investment, national electricity demand and consumption in Mainland China continued to surge in the first half of 2004 by 18.5% and 16% respectively. Looking ahead, demand for electricity in Guangdong Province is still rising, while Macau Power will benefit from the completion of new casinos in Macau. The AOP contribution from the Water Treatment and Waste Management segment is likely to grow as new projects come on stream.

Sustainable development of Mainland China's economy, coupled with increased consumer purchasing power and private car ownership, will see an increase in the number of vehicles on the nation's roads. In addition, the Central Government plans to build an expressway network with a total length of 82,000 km. These factors create ample investment opportunities for investors. On the other hand, Central Government policy measures in Mainland China to cool down the overheated economy, together with an expected rise in interest rates, will exert pressure on the financing costs of road and bridge projects. Furthermore, a sustained increase in the price of oil may inhibit the growth of private car ownership. The Group's development strategy is to focus on expressway projects located in cities and provinces with high growth potential, although rigorous competition from both local and foreign investors is expected. In early September 2004, the Group strengthened its Roads and Bridges segment by acquiring an effective 15% interest in Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Northern Section) which locates in Guangdong Province.

The competitive pressure from Shenzhen, and the loss of a major customer at Container Terminal No. 3, will have an adverse impact in future earnings of CSXWTHK. CSXWTHK is now implementing aggressive marketing measures to seek new customers and stringent cost-saving measures to retain its profit margin. Mainland China is the key to the success of the ports operation. As the nation continues to expand exports and accession to the World Trade Organization opens a dormant import market, Mainland China's ports are enjoying robust growth.

### FINANCIAL RESOURCES

Following the treasury policy to maintain a balanced debt profile, the Group continued to reduce debt. As at 30 June 2004, total cash and bank balances increased to **HK\$3.502** billion, as compared to **HK\$2.548** billion as at 30 June 2003. Net debt, which represents total debt less cash and bank balances, dropped significantly by 33% from **HK\$6.893** billion as at 30 June 2003 to **HK\$4.618** billion as at 30 June 2004. The gearing ratio, which represents the ratio of net debt to total shareholders' funds plus minority interests and loans, decreased significantly from 64% as at 30 June 2003 to 44% as at 30 June 2004. As at 30 June 2004, the capital structure was 46% debt and 54% equity, as compared to 53% and 47% respectively as at 30 June 2003.

As at 30 June 2004, total debt, which represents the aggregate of bank loans, other loans, overdrafts, finance leases and convertible bonds decreased to **HK\$8.120** billion from **HK\$9.441** billion as at 30 June 2003. Long-term bank loans and borrowings decreased to **HK\$5.564** billion, compared to **HK\$7.755** billion as at 30 June 2003. Among these, an unsecured HK\$6.0 billion 5-year syndicated term loan was drawn on 24 November 2003 to refinance the remaining balance of the previous secured bridging loan and the balance was reduced to **HK\$4.917** billion as at 30 June 2004. Secured bank loans and overdrafts amounted to HK\$42.9 million, of which HK\$42.1 million was secured by the toll collection right of a toll road in Mainland China. Bank loans of HK\$46.3 million were denominated in RMB; all other bank loans were denominated in Hong Kong dollars. In April 2004, the Group issued zero coupon guaranteed convertible bonds due 2009 in the aggregate principal amount of **HK\$1.350** billion to optimize the capital structure. Except for the secured bank loan and the convertible bonds, all other debts were at floating rate. The Group did not have any material exposure in exchange risk other than RMB during the year. The aggregate net book value of pledged fixed assets and the amount of deposits pledged as securities for certain banking facilities as at 30 June 2004 were HK\$9.4 million and HK\$15.5 million respectively as compared to HK\$14.1 million and **HK\$113.8** million respectively as at 30 June 2003.

Total Group commitments for capital expenditure were HK\$69.4 million, and the share of commitments for capital expenditure committed by jointly controlled entities was **HK\$473.5** million. Sources of funding for commitments for capital expenditure are from internally generated resources and banking facilities.

### CONTINGENT LIABILITIES

Contingent liabilities of the Group were **HK\$2.150** billion as at 30 June 2004 as compared to **HK\$2.211** billion as at 30 June 2003. These were composed of guarantees for credit facilities granted to associated companies and jointly controlled entities of HK\$82.4 million and **HK\$2.068** billion respectively as at 30 June 2004 as compared to **HK\$1.280** billion and **HK\$931.2** million respectively as at 30 June 2003. These guarantees included a corporate guarantee given by the Group for banking facilities granted to ACT of approximately **HK\$858.0** million as at 30 June 2004 and 30 June 2003, in proportion to the Group's interest in ACT. The proportionate amount utilized against such facilities and secured by the guarantee amounted to approximately **HK\$351.4** million as at 30 June 2004 as compared to **HK\$267.3** million as at 30 June 2003. CSXWTHK has agreed to counter indemnify the guarantee of approximately **HK\$507.0** million as at 30 June 2004 and 30 June 2003.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2004, over 43,000 people were employed by entities under the Group's management of which some 29,000 were employed in Hong Kong. Total staff-related costs, excluding directors' remunerations, were **HK\$2.789** billion (including provident funds and staff bonuses) as compared to **HK\$1.146** billion for FY2003. Remuneration packages including salaries, bonuses and share options were granted to employees according to individual performance and were reviewed according to general market conditions, as is the case every year. Structured training programmes are provided to employees on an ongoing basis.

### PUBLICATION OF DETAILED ANNUAL RESULTS ON THE HONG KONG STOCK EXCHANGE'S WEBSITE

All the information concerning the annual results of the Group for the year ended 30 June 2004 required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") in force prior to 31 March 2004, which remains applicable to results announcements in respect of accounting periods commencing before 1 July 2004 under the transitional arrangements, will be published on the Hong Kong Stock Exchange's website in due course.

**Dr. Cheng Kar Shun, Henry**  
Chairman

Hong Kong, 15 October 2004

*As at the date of this announcement: (a) the executive directors of the Company are Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, Mr. Chan Kam Ling, Mr. Tsang Yam Pui, Mr. Wong Kwok Kin, Andrew, Mr. Lam Wai Hon, Patrick and Mr. Cheung Chin Cheung; (b) the non-executive directors of the Company are Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) the independent non-executive directors of the Company are Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.*

\* For identification purposes only