富豪酒店國際控股有限公司

Regal Hotels International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 78)

ANNOUNCEMENT OF 2003 GROUP RESULTS

	Year ended 31st Dec., 2003	Year ended 31st Dec., 2002 (Restated)
	HK$'M	**HK$'M**
TURNOVER (Note 2)	**774.9**	988.6
Cost of sales	**(563.8)**	(721.2)
Gross profit	**211.1**	267.4
Other revenue (Note 4)	**7.5**	6.9
Administrative expenses	**(46.8)**	(58.6)
Other operating expenses (Note 5)	**(49.3)**	(159.0)
Provisions for write-downs and impairments, net (Note 6)	**—**	(7.4)
Loss on disposal of overseas subsidiary companies attributable to discontinued operation	**(34.4)**	—
Impairment of an overseas hotel property attributable to discontinued operation	**—**	(437.0)
Write-back of impairment/(Impairment) of hotel properties	**11.4**	(181.9)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (Note 2)	**99.5**	(569.6)
Finance costs (Note 8)	**(144.1)**	(182.7)
Share of profits less losses of:		
Jointly controlled entity	**206.6**	—
Associates	**(2.0)**	(14.7)
PROFIT/(LOSS) BEFORE TAX	**160.0**	(767.0)
Tax (Note 9)	**47.8**	(13.8)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS	**207.8**	(780.8)
Minority interests	**—**	—
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	**207.8**	(780.8)
Earnings/(Loss) per ordinary share (Note 10)		
Basic	**HK$0.03**	HK$(0.18)
Diluted	**HK$0.03**	N/A
Net asset value per ordinary share as at year end date	**HK$0.54**	HK$0.49

Notes:

1. ADOPTION OF A REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE ("SSAP") AND RELATED INTERPRETATION

SSAP 12 (Revised) "Income taxes" and Interpretation 20 "Income taxes — Recovery of revalued non-depreciable assets" have been adopted for the first time in the preparation of the current year's consolidated financial statements.

The revised SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current year (current tax); and income taxes payable or recoverable in future, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

The principal impact of the revision of this SSAP is that deferred tax assets and liabilities relating to the differences between capital allowances for tax purposes and depreciation for financial reporting purposes and other taxable and deductible temporary differences are generally fully provided for, whereas previously the deferred tax was recognised for timing differences only to the extent that it was probable that the deferred tax asset or liability would crystallise in the foreseeable future. In addition, deferred tax assets have been recognised for tax losses arising in the current/prior years to the extent that it is probable that there will be sufficient future taxable profits against which such losses can be utilised.

Interpretation 20 requires that a deferred tax asset or liability that arises from the revaluation of certain non-depreciable assets and investment properties is measured based on the tax consequences that would follow from the recovery of the carrying amount of that asset through sale. This policy has been applied by the Group in respect of the revaluation of its hotel properties in the deferred tax calculated under SSAP12.

The change in accounting policy has been applied retrospectively. Thus, comparative amounts for 2002 have been restated accordingly. The opening accumulated losses at 1st January, 2002 and 2003 have been increased by approximately HK$86.4 million and HK$102.2 million, respectively, which represented the cumulative effect of the change in accounting policy. Tax expense for the year ended 31st December, 2002 was increased by approximately HK$15.8 million.

2. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the hotel ownership and management segment is engaged in hotel operations and the provision of hotel management services;

(b) the property development and investment segment invests in properties for sale and for its rental income potential;

(c) the brewery operations segment represents the Group's brewery operations in Mainland China; and

(d) the others segment mainly comprise the Group's laundry services and restaurant operations.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) Business segments

The following table presents revenue and profit/(loss) information for the Group's business segments.

Group

	Hotel ownership and management		Property development and investment		Brewery operations		Others		Eliminations		Consolidated	
	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M (Restated)
Segment revenue:												
Sales to external customers	747.2	964.7	—	0.2	24.8	17.3	2.9	6.4	—	—	774.9	988.6
Intersegment sales	—	0.4	0.4	0.3	—	—	9.2	12.5	(9.6)	(13.2)	—	—
Total	747.2	965.1	0.4	0.5	24.8	17.3	12.1	18.9	(9.6)	(13.2)	774.9	988.6
Segment results	124.3	(412.6)	(0.2)	(6.0)	(3.0)	(16.4)	0.4	(4.6)	—	—	121.5	(439.6)
Interest income and unallocated non-operating and corporate gains											2.2	6.9
Unallocated non-operating and corporate expenses, net											(24.2)	(136.9)*
Profit/(Loss) from operating activities											99.5	(569.6)
Finance costs											(144.1)	(182.7)
Share of profits less losses of:												
Jointly controlled entity	—	—	206.6	—	—	—	—	—	—	—	206.6	—
Associates	(0.1)	(0.7)	—	—	—	—	(1.9)	(14.0)	—	—	(2.0)	(14.7)
Profit/(Loss) before tax											160.0	(767.0)
Tax											47.8	(13.8)
Profit/(Loss) before minority interests											207.8	(780.8)
Minority interests											—	—
Net profit/(loss) from ordinary activities attributable to shareholders											207.8	(780.8)

* Inclusive of a write-back of provision against a loan receivable amounting to HK$10.6 million (Note 6).

(b) Geographical segments

The following table presents revenue information for the Group's geographical segments.

Group

	Hong Kong		Canada		Mainland China		Eliminations		Consolidated	
	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M	2003 HK$'M	2002 HK$'M
Segment revenue:										
Sales to external customers	717.9	882.5	32.2	88.6	24.8	17.5	—	—	774.9	988.6

3. DISCONTINUED OPERATION

The turnover, expenses and results attributable to discontinued operation in respect of the Group's hotel operation in Canada for the year ended 31st December, 2002 and for the period from 1st January, 2003 to 25th June, 2003 (date of completion of disposal of the Canadian hotel operation) are as follows:

	2003 HK$'M	2002 HK$'M
TURNOVER	**32.2**	88.6
Cost of sales	**(37.3)**	(87.4)
Gross profit/(loss)	**(5.1)**	1.2
Administrative expenses	**(1.9)**	(3.5)
Other operating expenses	**(1.1)**	(2.3)
LOSS FROM OPERATING ACTIVITIES	**(8.1)**	(4.6)
Finance costs	**(4.2)**	(6.4)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	**(12.3)**	(11.0)

4. Other revenue includes the following item:

	2003 HK$'M	2002 HK$'M
Interest income	**0.2**	1.9

5. Other operating expenses include the following major items:

	2003 HK$'M	2002 HK$'M
Depreciation	**40.2**	42.7
Loss on disposal of long term investments (after a transfer from the revaluation reserve of a deficit of HK$0.3 million (2002 - HK$1.7 million))	**0.5**	95.0

6. Provisions for write-downs and impairments, net, represent the following items:

	2003 HK$'M	2002 HK$'M
Write-down in values of properties held for sale	**—**	5.6
Impairment of long term investments previously eliminated against long term investment revaluation reserve	**—**	12.4
Write-back of provision against a loan receivable	**—**	(10.6)
	—	7.4

7. An analysis of loss on sale of investments of the Group is as follows:

	2003 HK$'M	2002 HK$'M
Loss on disposal of long term investments	**0.5**	95.0

8. Included in the Group's finance costs is an amount of HK$5.7 million (2002 - HK$7.0 million) representing the amortisation of loan costs.

9. The tax charge/(credit) for the year arose as follows:

	2003 HK$'M	2002 HK$'M (Restated)
Group:		
Current tax expenses/(income)	**0.3**	(2.1)
Deferred tax expenses/(income)	**(48.2)**	15.8
Associate	**0.1**	0.1
Total tax charge/(credit) for the year	**(47.8)**	13.8

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year (2002 - nil).

Tax on the profits of subsidiary companies operating overseas is calculated at the rates prevailing in the respective jurisdictions in which they operate, based on existing legislation, practices and interpretations thereof.

The provision for Hong Kong profits tax for an associate has been calculated by applying the applicable tax rate of 17.5% to the estimated assessable profits which were earned in or derived from Hong Kong during the year (2002 - 16%).

No provision for tax is required for the jointly controlled entity as no assessable profits were earned by the jointly controlled entity during the year (2002 - nil).

10. The calculation of basic earnings/(loss) per ordinary share is based on the net profit from ordinary activities attributable to ordinary shareholders for the year of HK$207.8 million (2002 - net loss of HK$780.8 million, as restated), adjusted for the unpaid preference share dividend for the year of HK$6.9 million (2002 - HK$6.9 million), and on the weighted average of 6,847.4 million (2002 - 4,483.8 million) ordinary shares of the Company in issue during the year.

The calculation of diluted earnings per ordinary share for the year ended 31st December, 2003 is based on the adjusted net profit from ordinary activities attributable to ordinary shareholders for the year of HK$201.5 million and on the adjusted weighted average of 7,999.7 million ordinary shares of the Company that would have been in issue during the year assuming all outstanding convertible bonds (including optional convertible bonds) of the Company were converted into ordinary shares of the Company at the beginning of the year. The conversion of the outstanding convertible preference shares of the Company is anti-dilutive for the year. In addition, the exercise price of share options of the Company outstanding during the year is higher than the average market price of the Company's ordinary shares and, accordingly, they have no dilutive effect on the basic earnings per share.

No diluted loss per ordinary share was presented for the year ended 31st December, 2002 as the exercise of share options and the conversion of convertible preference shares and convertible bonds of the Company were anti-dilutive for that year.

11. In the prior year, an amount of HK$2,226.0 million was transferred from reserves to offset against the Group's accumulated losses.

12. Neither the Company nor any of its subsidiary companies has purchased, sold or redeemed any listed securities of the Company during the year under review.

DIVIDEND

- The Directors have resolved not to recommend the payment of a final dividend to holders of ordinary shares for the year ended 31st December, 2003 (2002 - nil). No interim dividend was paid to ordinary shareholders for the year ended 31st December, 2003 (2002 - nil).
- No dividend was paid to preference shareholders for the year ended 31st December, 2003 (2002 - nil).

MANAGEMENT DISCUSSION AND ANALYSIS

- During the year under review, net cash inflow from operating activities totalled HK$148.3 million (2002 - HK$203.3 million). Net interest payment for the year amounted to HK$135.6 million (2002 - HK$203.7 million).
- As at 31st December, 2003, the Group's gross borrowings net of cash and bank balances amounted to HK$4,401.5 million (2002 - HK$4,993.0 million). The Group's gearing ratio based on the total assets of HK$8,793.3 million (2002 - HK$8,529.9 million) was about 50.1% (2002 - 58.5%). The Group expects that the surplus cash proceeds to be realised from the Regalia Bay project will further reduce the Group's borrowings significantly and hence its gearing level.
- As the majority part of the Group's borrowings is denominated in Hong Kong dollar currency, being the same currency in which the Group's major revenues are derived, and with interest determined with reference to Interbank Offered Rates, the use of hedging instruments for currency or interest rates purposes is not considered to be necessary.
- Information in relation to the maturity profile of the borrowings, the pledge of assets and the contingent liabilities of the Group as of 31st December, 2003 is disclosed in the annual report of the Company for the year ended 31st December, 2003 (the "2003 Annual Report"), which will be despatched to the shareholders on or before 30th April, 2004. During the year under review, the Company continued to adopt similar funding, treasury and remuneration policies as disclosed in the Company's 2003 Interim Report for the six months ended 30th June, 2003. Detailed information in such aspects is contained in the 2003 Annual Report.
- As previously reported in the 2003 Interim Report, in June 2003, following the default by a third party purchaser in the closing of a sale and purchase agreement dated 3rd September, 2002 for the disposal of the Group's 100% interest in a subsidiary company owning the Regal Constellation Hotel in Canada, the Group divested of its 100% shareholding interest in the immediate holding company of such subsidiary company to another third party purchaser for a nominal consideration, with sharing arrangements on any recovery from the defaulted purchaser. As the principal repayment obligation under the bank loan originally secured on the Regal Constellation Hotel was without recourse to the Group, such bank loan in the principal sum of approximately HK$195.8 million has been taken off the consolidated balance sheet of the Group as at 30th June, 2003. A loss on disposal of the Group's investments in relation to the Regal Constellation Hotel has been fully accounted for in the results under review. Details of the transaction were disclosed in an announcement of the Company dated 7th July, 2003.
- On 29th August, 2003, the Group entered into a sale and purchase agreement (the "SP Agreement") for the disposal of its 100% interest in a subsidiary company which indirectly owns the Regal Oriental Hotel. Subsequently, on 30th March, 2004, the parties to the SP Agreement entered into a supplemental agreement to the SP Agreement to extend the completion date of the SP Agreement to 30th June, 2004 and to reinstate the termination option (in a revised form) to the Group to terminate the agreement. Details of the SP Agreement and the supplemental agreement were disclosed in two announcements of the Company dated 4th September, 2003 and 31st March, 2004, respectively.
- Save as otherwise disclosed in this Announcement, the Group has no immediate plans for material investments or capital assets.
- The Group's significant investments constitute primarily its ownership and operating interests in the five Regal Hotels in Hong Kong and the investment in the jointly controlled Regalia Bay development. The performance of these hotels during the year under review, their future prospects as well as the commentary on the local hotel industry, changes in general market conditions and their potential impact on the operating performance of these hotels together with the progress and prospects on the Regalia Bay development are contained in the sections headed "Operating Highlights" and "Outlook" below, respectively.

OPERATING HIGHLIGHTS

- For the year ended 31st December, 2003, the Group achieved an audited consolidated net profit attributable to shareholders of HK$207.8 million, as compared with a net loss of HK$780.8 million (as restated) recorded for the 2002 financial year.
- The Company has successfully weathered through the most difficult times in recent years and achieved a turnaround in the financial year under review, after having sustained operating losses for five years since 1998.
- Through the staged implementation of a planned assets disposal and realisation programme, the Group has managed to significantly improve its gearing levels, with the total indebtedness of the Group having been reduced from over HK$9.0 billion recorded as at 31st December, 1998 to about HK$4.5 billion as at the year end of 2003, while its core hotels assets in Hong Kong are being retained. Likewise, finance costs have been reduced from over HK$700.0 million in the 1998 financial year to HK$144.1 million in 2003.
- With a view to restoring the Group's financial stability and, more importantly, to provide it with a solid platform for its continuing recovery going forward, the Group finalised and concluded a loan rescheduling agreement with its principal lenders in September 2003. Under the loan rescheduling agreement, the final repayment dates of the two principal outstanding loans of the Group have been extended to 2006 and 2012, respectively, with interim milestone payments and principal amortisation schedule having been set with reference to the expected cash inflows of the Group.

HOTELS

Hong Kong

- Due to the outbreak of the Severe Acute Respiratory Syndrome, the tourism and hotel businesses in Hong Kong were drastically affected with the total number of visitors to Hong Kong having plunged by 20% in the first half of 2003, as compared with the same period in 2002. Since the delisting of Hong Kong as a SARS-affected area in late June, the local tourism and hotel markets staged a relatively rapid recovery. Aided by the new rules allowing residents of certain affluent Mainland cities to travel to Hong Kong as individuals and the implementation of the Closer Economic Partnership Arrangement, visitors from Mainland China for the year as a whole have climbed to over 8.4 million, representing an increase of some 24% as compared with 2002. However, due to the substantial negative growth recorded in all other major markets, the total number of incoming visitors in 2003 still declined by 6.2%, as compared with the preceding year. Given the longer lead-time between planning and traveling for most business and long-haul travelers, some of whom have actually cancelled their scheduled trips to Hong Kong in 2003 due to SARS scare, it can be anticipated that visitors from the other major markets would gradually pick up in 2004.
- On account of the serious disruption caused by the SARS outbreak, the combined average occupancy for the five Regal Hotels in Hong Kong for the year under review has trailed behind 2002 by about 19.3%, but in terms of the combined average room rate, an increase of over 2% was attained. Except for the period affected by the SARS outbreak, the Regal Hotels in Hong Kong have in fact been able to achieve continuous improvements in their gross operating profit margins during the past few years, despite the competitive market conditions.
- The Regal Airport Hotel remains highly regarded by international travelers and was for the third consecutive year awarded the "Best Airport Hotel Asia-Pacific" by Business Traveller Asia-Pacific Magazine in 2003. In March 2003, an overall settlement was concluded with the Hong Kong Airport Authority and the term of the sub-lease for this hotel has been agreed to be for a period of 25 years commencing from 31st December, 2003.
- In view of the changed circumstances and the improved prospects for the local hotel sector since the entering into of the sale agreement of the Regal Oriental Hotel on 29th August, 2003, the Group has been reconsidering the relative merits of selling the Regal Oriental Hotel, particularly having regard to the long held objective of positioning itself as one of the largest hotel owners and operators in Hong Kong. In order to provide the Group with additional time and flexibility for its contemplation of other alternative proposals and arrangements which may serve better commercial benefits to the Group than the disposal of the Regal Oriental Hotel under the sale agreement, the Group initiated discussions with the purchaser and, on 30th March, 2004, a supplemental agreement was finalised and signed. Under the supplemental agreement, the completion date was extended to 30th June, 2004 and an option (in a revised form) was reinstated for the Group, exercisable at its sole discretion, to terminate the sale agreement before the extended completion date, subject to the giving of requisite advance notice and the payment of an agreed termination fee. Further details of this supplemental agreement were contained in a joint announcement dated 31st March, 2004 published by the Company.
- Similarly, in light of its enhanced financial position, the Group has also been reviewing the merits and, indeed, the need for the disposal of the Regal Riverside Hotel previously contemplated, particularly that the operating performance of this hotel has achieved substantial improvement since the second half of 2003. Therefore, the previous proposal for the sale of this hotel has been put in abeyance pending the mapping out of the Group's overall business plans.

United States of America and Canada

- As disclosed in a joint announcement by the Company dated 2nd October, 2003, the Group had formally concluded a settlement agreement with the purchaser under the agreement entered into in December 1999 relating to the disposal of the Group's hotel interests in the United States of America. The settlement agreement provided for the payment by the purchaser to the Group of a settlement amount of US$48.8 million in full and final settlement of the legal proceedings and the total resolution and mutual release of all claims by and between the parties under or in connection with the 1999 sale agreement. Before accounting for any further related legal and other expenses, the settlement amount reflected a surplus of approximately HK$4.0 million over the Group's net carrying value of the receivable amount as at 31st December, 2002. The settlement amount has since been duly received, most of which was applied towards reduction of the Group's outstanding bank loans.
- Regarding the Regal Constellation Hotel in Toronto, Canada, which was previously owned by the Group, the circumstances surrounding the divesture by the Group of its interests in this hotel in June 2003 had been reported in the Interim Report released in September 2003. The loss on disposal of the Group's investment in this hotel has been fully accounted for in the results for the year under review.

The People's Republic of China

- The year round operating results of the two hotels in Shanghai managed by the Group had similarly been adversely affected by the outbreak of SARS. Having regard to the buoyant economic condition presently prevailing in Shanghai and Mainland China overall, their operating results and, hence, the management fee income attributable to the Group, are anticipated to improve in 2004.
- With the Group's strong operating base in Hong Kong and the established presence in Shanghai, the Group is planning to expand its hotel management network in Mainland China as and when suitable opportunities arise. In this regard, the Group has recently entered into a preliminary agreement for the provision of hotel management and technical assistance services for a 5-star hotel project in Shenzhen being undertaken by a third party investor group.

PROPERTIES

Regalia Bay, Stanley

- The Group owns a 70% jointly controlled interest in Regalia Bay, which is a luxury residential development project located at Rural Building Lot No. 1138, Wong Ma Kok Road, Stanley, Hong Kong. The project is developed in 2 phases comprising a total of 139 luxury residential houses. The occupation permits for Phase I and Phase II have been issued in March 2003 and January 2004, respectively, and the requisite certificate of compliance for the project issued in March 2004.
- The sale programme for this development was first launched in September 2003. The development has gained general recognition as one of the most prestigious luxury residential estates and the sale progress achieved so far has been most satisfactory. Up to date, a total of 88 houses has been contracted to be sold for an aggregate gross sale consideration of over HK$3.8 billion. It is anticipated that, by the third quarter of 2004, all the project loans outstanding on the development would have been fully repaid through the net proceeds receivable from the sale of the houses and further proceeds thereafter will accrue to the joint venture partners in accordance with their respective entitlements.
- The Group has in the financial year under review written back a minority portion of the provision previously made against the Group's investment in this development project by reference to the sales achieved. Based on the latest transacted price, the going market trend as well as the growing demand for quality luxurious residential properties in Hong Kong Island, it is expected that the sale price for the remaining houses should be significantly higher than the average selling price achieved for the houses sold to date. Accordingly, it can be anticipated that, when the remaining houses are sold, a substantially larger write-back amount will be recognised as profit contribution in the financial year ending 31st December, 2004.

OTHER OPERATIONS

- The Group operates a number of other minor operations including the Kaifeng Yatai Brewery in Henan in the PRC. The strenuous efforts put to improve operational efficiency at this brewery are gradually producing positive results. While the operating loss for this brewery has been significantly contained during the year under review, management of the brewery is hopeful of achieving at least a break-even position in 2004. In the meantime, the brewery management is embarking on a plan to make use of the brewery's surplus production equipment to set up a separate joint venture brewery at a nearby area in Henan, in order to diversify its production and marketing network.

OUTLOOK

- Business operations at the five Regal Hotels in Hong Kong for the first quarter of 2004 were very encouraging, with total gross operating profits having surpassed what were attained in the first quarter of 2003 by more than 50%. Based on the current forecast and barring any unforeseen circumstances, the operating results for the Regal Hotels in Hong Kong for 2004 are anticipated to fare far better than those attained in the year under review.
- The Group expects that, on further sale of the remaining houses in Regalia Bay, there will be significant cash flows attributable to the Group starting from the latter part of 2004, which will help to greatly strengthen the Group's overall financial and liquidity position. The Group is presently exploring alternative proposals for a further rescheduling and/or refinancing of its outstanding bank loans, with a view to preserving the Group's hotel assets in Hong Kong and to providing the Group with added flexibility in its forward business planning.
- Given the anticipated enhancement in the operating results of the Regal Hotels in Hong Kong and the significant profit contribution expected from the Regalia Bay development, the overall results of the Group for the financial year ending 31st December, 2004 should be even more promising.
- To capitalise on Regal's established brand name, business network and operational and management expertise, the Group is actively looking to expand its presence in the PRC through management contracts and, if circumstances are considered to be appropriate, with equity participation.
- On the whole, the general economic conditions in Hong Kong have been gradually recovering since the second half of 2003. Moreover, the continuing relaxation of the individual traveling by PRC residents, the coming into effect of the Closer Economic Partnership Arrangement with Mainland China, as well as the scheduled opening of the Disney World and the new International Exhibition Center at the Hong Kong International Airport at Chek Lap Kok in 2005 are all conducive to the creation of a favourable economic and business environment for Hong Kong.
- As the overall financial stability of the Group has now been restored, the Group is optimistic on the prospects of its continuing business revival and sustained growth.

By Order of the Board
LO YUK SUI
Chairman

Hong Kong, 15th April, 2004

As at the date of this announcement, the Board of Directors of the Company comprises Mr. LO Yuk Sui (Chairman and Managing Director), Mr. Donald FAN Tung, Mr. Dominic LAI (Independent Non-Executive Director), Mr. Tommy LAM Chi Chung, Mrs. Kitty LO LEE Kit Tai (Non-Executive Director), Mr. Jimmy LO Chun To, Mr. Kenneth NG Kwai Kai, Mr. Thomas NG Wai Hung (Independent Non-Executive Director), Mr. Kai Ole RINGENSON (Non-Executive Director), Dr. Alex WU Shu Chih, CBE, LL D, FBIM FIOP, F Inst D, JP (Independent Non-Executive Director) and Ms. Belinda YEUNG Bik Yiu.

A detailed results announcement containing all the relevant information as required by Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be submitted to the Stock Exchange for publication on its website on or before 30th April, 2004.