HUTCHISON HARBOUR RING LIMITED

和記港陸有限公司＊

(Incorporated in Bermuda with limited liability)

(Stock Code: 715)

AUDITED FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2004

HIGHLIGHTS

	2004 HK$'million	Restated 2003 HK$'million	Changes
Turnover - company and subsidiaries	**2,602.0**	2,192.3	18.7%
Profit attributable to shareholders	**162.9**	142.7	14.2%
Basic earnings per share	**2.43 cents**	2.24 cents	8.5%
Final dividend per share	**2.0 cents**	1.7 cents	17.6%

- **Earnings before interest expense and taxation ("EBIT") of HK$197.9 million, an increase of 12.7%**

- **Strong growth of technology operation with turnover of HK$636.9 million and EBIT of HK$52.0 million, an increase of 86.0% and 191.3% respectively**

- **Cash and liquid investments totalled HK$2,043.3 million**

CHAIRMAN'S STATEMENT

Results

The Group's turnover for the year continued to show strong growth, rising 18.7% to HK$2,602.0 million. Profit attributable to shareholders increased by 14.2% to HK$162.9 million and basic earnings per share was HK2.43 cents (2003 – HK2.24 cents). The results reflect the expansion of our technology operation, which offsets difficult conditions affecting the toy operation that included rising plastics prices and labour costs.

Dividend

The directors recommend the payment of a final dividend of HK2.0 cents per share in respect of 2004 (2003 – HK1.7 cents per share), to shareholders whose names appear on the Register of Members of the Company on 17 May 2005. The Register of Members will be closed from 10 May 2005 to 17 May 2005, both dates inclusive and the proposed dividend will be paid on 18 May 2005 following approval at the Annual General Meeting.

Operations

The toy operation provides a stable source of revenue and remains the largest contributor to turnover representing 68.4% of Group turnover in 2004. However, its profitability was adversely impacted by spiraling plastics costs. Electricity and labour shortages in Guangdong province have further compounded the problem. Although revenue was stable, earnings before interest expense and taxation ("EBIT") declined by 29.2% to HK$64.3 million. These adverse impacts, however, have been mitigated by the Group's cost saving measures adopted and sharing of plastics costs increases with customers.

On the positive side, the strategic initiative of diversifying operations begins to contribute good results. The rapidly expanding technology business posted a strong growth in turnover of 86.0% to HK$636.9 million and EBIT growth of 191.3% to HK$52.0 million. This achievement is a flow through of its successful strategy to develop specialised products, initially in the area of mobile telecommunication accessories, where it is increasingly able to exploit the synergies and relationship with Hutchison Whampoa group ("Hutchison group") companies and its suppliers. The technology operation has also successfully developed its own "i.Tech" brand in pursuance of its business strategy to establish its position as a respected Original Brand Manufacturing ("OBM") player in the technology field.

The Group signed a licensing and sourcing agreement with Warner Bros. Consumer Products Inc ("Warner Bros.") that has opened a new dimension for business expansion. Tremendous business opportunities now opened to the Group cover the entire value chain, spanning licensing, retailing, distribution, sourcing and manufacturing. Up to thousand of new product designs covering a wide range of categories including apparels, stationeries and premium, have been developed and will be available to the market in 2005.

The property operation's EBIT grew 4.1% to HK$64.6 million benefiting from the rising demand for good quality office space in Shanghai. The Group's two prime properties, Harbour Ring Plaza and Harbour Ring Huang Pu Centre, maintained high average occupancy rates of 96% and achieved rising rental levels in 2004.

Strong cash flows and prudent financial policies ensured that the Group remained well capitalised. At the end of 2004, cash and cash equivalents together with other liquid listed investments totalled HK$2,043.3 million. The Group is in a strong position to capture market opportunities and increase its competitiveness.

Outlook

Despite the continuation of the challenges faced in 2004 into 2005, the Group is well positioned to deliver strong results.

While sales are expected to remain steady, the toy operation continues to introduce cost control measures to improve its profitability. The technology operation is targeting another year of strong growth, driven by new Bluetooth products with broader global distribution. The Group is moving fast up the value chain to position itself not only as an Original Equipment Manufacturing and Original Design Manufacturing but also OBM supplier on the technology front. Consolidation of relationship with members, business associates and partners of Hutchison group would boost turnover and expand the group's product lines. To strengthen its distribution network in Europe, a service office has been established in the UK. Further expansion of this distribution network to better serve members of the Hutchison group and develop new businesses with new customers is being pursued. The licensing and sourcing operation which includes the cooperation with Warner Bros., will expand and provides promising opportunity in 2005.

The Group will continue to strive for cost saving and to this end will expand centralised procurement to all areas of operation. The Group will also look for attractive areas in which to invest in future growth and diversification.

I would like to thank my fellow directors and all the Group's employees for their hard work, support and dedication during the year.

Fok Kin-ning, Canning
Chairman

Hong Kong, 21 March 2005

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2004

	Note	**2004** **HK$'000**	Restated 2003 HK$'000
Turnover			
Company and subsidiaries		**2,602,017**	2,192,311
Share of associates		**8,501**	16,051
	2	**2,610,518**	2,208,362
Company and subsidiaries			
Turnover	*2*	**2,602,017**	2,192,311
Cost of sales		**(2,273,072)**	(1,895,780)
Gross profit		**328,945**	296,531
Other revenues		**59,210**	47,075
Other net income		**26,111**	38,914
Administrative expenses		**(147,948)**	(153,723)
Selling and distribution costs		**(68,634)**	(53,319)
Operating profit	*3*	**197,684**	175,478
Share of profits less losses of associates		**171**	106
Earnings before interest expense and taxation		**197,855**	175,584
Finance costs	*4*	**(8,061)**	(199)
Profit before taxation		**189,794**	175,385
Taxation	*5*	**(18,616)**	(23,632)
Profit after taxation		**171,178**	151,753
Minority interests		**(8,295)**	(9,062)
Profit attributable to shareholders		**162,883**	142,691
Dividend	*6*	**134,100**	113,985
Earnings per share	*7*	**2.43 cents**	2.24 cents

CONSOLIDATED BALANCE SHEET
At 31 DECEMBER 2004

	Note	**2004 HK$'000**	2003 HK$'000
Non-current assets			
Fixed assets		**919,120**	913,300
Investments in associates		**3,844**	8,817
Held-to-maturity securities, listed		**1,458,034**	1,558,980
Non-trading securities		**273**	273
Loans receivable		**8,762**	11,660
Deferred tax assets		**11,117**	12,309
		2,401,150	2,505,339
Current assets			
Inventories		**290,669**	224,841
Trade receivables	*8*	**351,582**	289,087
Deposits, prepayments and other receivables		**121,936**	145,316
Loans receivable due within one year		**2,770**	2,770
Trading securities		**7**	104
Cash and bank deposits		**585,271**	488,397
		1,352,235	1,150,515
Current liabilities			
Trade payables	*9*	**338,220**	302,683
Other creditors and accruals		**252,709**	253,155
Taxation		**25,789**	31,700
		616,718	587,538
Net current assets		**735,517**	562,977
Total assets less current liabilities		**3,136,667**	3,068,316
Non-current liabilities			
Deferred tax liabilities		**48,303**	43,333
Minority interests		**137,672**	129,169
		2,950,692	2,895,814
Capital and reserves			
Share capital		**670,500**	670,500
Reserves		**2,280,192**	2,225,314
		2,950,692	2,895,814

Notes:

1 Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), including applicable Statements of Standard Accounting Practice and certain Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") as described further below. They have been prepared under the historical cost convention except that investment properties and investments in securities, other than held-to-maturity securities, are stated at fair value.

The HKICPA has issued a number of new and revised HKFRSs and Hong Kong Accounting Standards ("HKASs") which are effective for accounting periods beginning on or after 1 January 2005. In preparing the consolidated accounts, the Group has early adopted HKAS 36 "Impairment of Assets", HKAS 38 "Intangible Assets", HKAS 40 "Investment Property" and HKFRS 3 "Business Combinations".

The Group has applied HKAS 36, HKAS 38 and HKFRS 3 prospectively with effect from 1 January 2004 and the adoption of these accounting standards did not have any material financial impact to the Group's profit attributable to shareholders and net assets as of and for the year ended 31 December 2004.

Pursuant to the adoption of HKAS 40, changes in fair values of investment properties are recognised in the profit and loss account. The adoption of HKAS 40 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform with the changed policy. The change in accounting policy has resulted in an increase of HK$3,317,000 and HK$14,471,000 in profit attributable to shareholders for the years ended 31 December 2004 and 2003 respectively. The opening retained profits at 1 January 2004 have been increased by HK$14,471,000 and there is no effect on the opening retained profits at 1 January 2003.

The Group has commenced an assessment of the financial impact of adopting the remaining new and revised HKASs and HKFRSs but is not yet in a position to state whether these new accounting standards would have a significant impact on its results of operations and financial position.

2 Turnover and segmental information

Turnover represents sales of toys, consumer electronic products and accessories and rental income. The amount of each category of revenue recognised during the year is as follows:

	2004 HK$'000	2003 HK$'000
Sales of goods	2,555,102	2,147,861
Rental and service income from investment properties	46,915	44,450
	2,602,017	2,192,311

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format. The Group's core business segments are toy operation, technology operation, licensing and sourcing operation and property operation. Other corporate income and expenses, held-to-maturity securities and cash held for non-operating purposes are not allocated to the above segments.

Primary segment information by business:

	Year ended 31 December 2004					
	Toy operation	**Technology operation**	**Licensing and sourcing operation**	**Property operation**	**Elimination**	**Group**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
Company and subsidiaries						
- External sales	**1,780,645**	**636,939**	**137,518**	**46,915**	**-**	**2,602,017**
- Inter-segment sales	**29,445**	**4,177**	**768**	**-**	**(34,390)**	**-**
	1,810,090	**641,116**	**138,286**	**46,915**	**(34,390)**	**2,602,017**
Share of associates	**8,501**	**-**	**-**	**-**	**-**	**8,501**
	1,818,591	**641,116**	**138,286**	**46,915**	**(34,390)**	**2,610,518**
Segment results						
Company and subsidiaries	**63,828**	**51,969**	**1,557**	**64,900**		**182,254**
Other corporate income and expenses						**15,430**
Operating profit						**197,684**
Share of profits less losses of associates	**440**	**-**	**-**	**(269)**		**171**
Earnings before interest expense and taxation	**64,268**	**51,969**	**1,557**	**64,631**		**197,855**
Finance costs						**(8,061)**
Taxation						**(18,616)**
Minority interests						**(8,295)**
Profit attributable to shareholders						**162,883**

	Year ended 31 December 2003				
	Toy operation	Technology operation	Property operation	Elimination	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover					
Company and subsidiaries					
- External sales	1,805,379	342,482	44,450	-	2,192,311
- Inter-segment sales	45,105	-	-	(45,105)	-
	1,850,484	342,482	44,450	(45,105)	2,192,311
Share of associates	7,384	-	8,667	-	16,051
	1,857,868	342,482	53,117	(45,105)	2,208,362
Segment results					
Company and subsidiaries	90,200	17,842	62,512		170,554
Other corporate income and expenses					4,924
Operating profit					175,478
Share of profits less losses of associates	558	-	(452)		106
Earnings before interest expense and taxation	90,758	17,842	62,060		175,584
Finance costs					(199)
Taxation					(23,632)
Minority interests					(9,062)
Profit attributable to shareholders					142,691

Secondary segment information by geographical location:

	Turnover		Segment results	
	2004	2003	**2004**	2003
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
United States	**1,084,302**	1,113,731	**26,317**	46,579
Europe	**466,564**	320,510	**19,801**	13,156
Mainland China	**103,518**	65,888	**69,499**	76,463
Hong Kong	**190,628**	139,899	**16,821**	7,035
Japan	**448,740**	370,658	**33,773**	19,866
Korea	**117,580**	5,965	**10,008**	245
Other regions	**190,685**	175,660	**6,035**	7,210
	2,602,017	2,192,311	**182,254**	170,554
Other corporate income and expenses			**15,430**	4,924
Operating profit			**197,684**	175,478

3 Operating profit

	2004	2003
	HK$'000	*HK$'000*
Operating profit is stated after crediting and charging the following:		
<u>Crediting</u>		
Gain on disposal of subsidiaries	**-**	10,679
Gain on disposal of investment properties	**6,227**	-
Gain on disposal of non-trading securities	**4,000**	-
Gain on fair value adjustments of investment properties	**11,490**	23,888
<u>Charging</u>		
Cost of inventories sold	**2,263,080**	1,885,987
Depreciation and impairment	**46,528**	58,551

4 Finance costs

	2004	2003
	HK$'000	*HK$'000*
Interest on bank overdrafts	**255**	199
Interest on minority shareholder's loan (not wholly repayable within five years)	**7,806**	-
	8,061	199

During the year, the Group agreed to pay interest at 3% per annum on the loans from a minority shareholder with effect from the first date the loans were provided to the Group's two PRC property equity joint ventures. Prior to such agreement, all loans from minority shareholders were interest free.

5 Taxation

	Current taxation	**Deferred taxation**	**2004 Total**	Current taxation	Deferred taxation	Restated 2003 Total
	HK$'000	**HK$'000**	**HK$'000**	HK$'000	HK$'000	HK$'000
Hong Kong						
Subsidiaries	**8,554**	**1,597**	**10,151**	5,552	(716)	4,836
Outside Hong Kong						
Subsidiaries	**3,788**	**4,565**	**8,353**	4,756	13,973	18,729
Associates	**112**	**-**	**112**	67	-	67
	12,454	**6,162**	**18,616**	10,375	13,257	23,632

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profit for the year. Taxation outside Hong Kong has been provided for on the estimated assessable profits at applicable rate ruling in relevant countries.

6 Dividend

	2004	2003
	HK$'000	*HK$'000*
Final dividend proposed – HK2.0 cents per ordinary share (2003: HK1.7 cents)	**134,100**	113,985

At a meeting held on 21 March 2005, the directors declared a final dividend of HK2.0 cents per ordinary share. The amount of proposed final dividend for 2004 is based on 6,705,000,263 shares issued at 31 December 2004. This proposed dividend is not reflected as a dividend payable in these accounts but will be reflected as an appropriation of retained earnings for the year ending 31 December 2005.

The amount of proposed final dividend for 2003 was based on 6,705,000,263 shares issued at 31 December 2003 and the amount paid of HK$113,985,000 was based on 6,705,000,263 shares issued and recorded on the Register of Members of the Company on 20 May 2004.

7 Earnings per share

The calculation of earnings per share is based on the Group's profit attributable to shareholders of HK$162,883,000 (2003: HK$142,691,000, as restated) and 6,705,000,263 (2003: weighted average number of 6,366,000,263) ordinary shares in issue during the year.

8 Trade receivables

The Group's average credit period granted to trade debtors mainly ranges from 30 to 60 days. At 31 December 2004, the aging analysis of trade receivables, net of provision, based on the date of invoice is as follows:

	2004	2003
	HK$'000	HK$'000
0-30 days	175,498	168,695
31-60 days	97,838	78,764
61-90 days	50,820	12,121
Over 90 days	27,426	29,507
	351,582	289,087

9 Trade payables

The aging analysis of trade payables at 31 December 2004 is as follows:

	2004 HK$'000	2003 HK$'000
0-30 days	184,396	217,486
31-60 days	108,400	56,891
61-90 days	19,091	11,664
Over 90 days	26,333	16,642
	338,220	302,683

REVIEW OF OPERATIONS

Financial Overview

The Group's turnover for 2004 was HK$2,602.0 million, representing an increase of 18.7% over 2003. Toy manufacturing is the primary business of the Group and accounted for 68.4% of the Group's total turnover. The Group recorded an audited consolidated profit attributable to shareholders of HK$162.9 million for the year ended 31 December 2004 compared to HK$142.7 million for 2003, an increase of 14.2%.

The Group's strong performance was led by the continued rapid development of the technology operation, which provided the momentum for growth in both revenues and earnings.

Toy Operation

The Group's toy operation continued to contribute the bulk of the Group's revenues. Turnover for the year was relatively stable, compared to last year, at HK$1,780.6 million. Earnings before interest expense and taxation ("EBIT"), however, declined 29.2% to HK$64.3 million, reflecting the challenging conditions at its production base in China's Pearl River Delta region and the rapid increase in the prices of plastics.

A steep rise in labour costs was an important factor affecting profitability, following a tightening of the labour supply in southern China. This was due to a decrease in the movement of the rural labour as a result of a change in Government policy. To help relieve the labour shortage, management plans to recruit labour from the more remote provinces.

Economic growth in the Pearl River Delta has surpassed the estimates of the provincial authorities, with the result that installed power generating capacity is now unable to meet demand. Management had prepared for this situation at an early stage through the expansion of its back-up power generation capacity. As a result, the operation is now well positioned to contain the adverse impact of any power outage albeit at a relatively higher cost.

Margins were substantially affected by rises in prices for plastics, a major raw material for toys. The Group has established a central purchasing office ("CPO") for the toy operation to help reduce the cost of raw materials. The greater economies of scale enjoyed by the CPO are expected to enable the businesses to secure greater volume discounts from suppliers.

The toy business is largely an original equipment manufacturing ("OEM") supplier to some of the world's leading brand names and niche players in the toy industry, offering a 'one stop' service from product development to production. Customers continue to be attracted by the Group's reputation for quality, timeliness, service and cost-effectiveness. The operation maintained close contact and communication with customers and remained highly competitive on cost, despite market pressures.

Strong demand was seen for the Teenage Mutant Ninja Turtles products that were reintroduced in 2003 and later in the year for the Cabbage Patch Dolls that were also reintroduced during 2004. In addition, the Group was able to diversify into household products, supplying substantial volumes of battery operated fragrance dispensers to a major UK household products company that distributes worldwide.

Technology Operation

The Group's technology operation built on the strong results recorded in its first full year of operation in 2003 by increasing turnover for the year by 86.0% to HK$636.9 million, while EBIT grew 191.3% to HK$52.0 million.

The Group's technology operation saw very strong growth in revenues as it attained success in launching its "i. Tech" brand and continued to see strong demand for its OEM and Original Design Manufacturing ("ODM") services.

Sales of "i. Tech" products grew strongly, led by the Bluetooth headsets, while the award winning Virtual Keyboard also began to see demand. In December 2004, a digital radio was launched, further augmenting the range of product lines. During the year, the Group developed a new Virtual Keyboard that is Bluetooth enabled, which is forecast to increase the popularity of this high-end product. The "i. Tech" brand has been gaining recognition and growing in popularity supported by increased promotional activity in key markets, ranging from point of sale display to advertising.

The OEM and ODM businesses saw steady growth in revenues as the Group continued to offer customers high quality products and competitive pricing. The competitive edge is enhanced with greater level of customisation and product differentiation through further development along the ODM and Original Brand Manufacturing route. Mobile phone accessories experienced especially robust sales growth. The Group's economies of scale, together with a focusing of the business on areas of comparative advantage enabled it to defend margins.

Both the branded and non-branded businesses benefited considerably from the Group's increasingly established position as a preferred supplier for selected mobile accessories for Hutchison's 3G mobile multimedia services worldwide, and introductions to the business partners of the Hutchison group. Major customers during the year included LG, NEC and a number of mobile handset distributors in Europe, Asia and North America.

Licensing and Sourcing Operation

Turnover at the Group's licensing and sourcing operation was HK$137.5 million, while EBIT was HK$1.6 million. The Group's licensing and sourcing operation was established in 2004 and an agreement was signed with Warner Bros. Consumer Products Inc ("Warner Bros."). The Warner Bros. agreement, which mainly covers Hong Kong, Mainland China and Macau, provides a building block for a value chain ranging from sourcing to distribution and brand licensing. During the year, the Group achieved a breakthrough by winning in open tender a substantial contract to source Warner Bros. licensed toy products for a major UK retail chain.

Besides the cooperation with Warner Bros., the operation also has supply agreements with NEC and LG. In order to develop its businesses and markets further, it has expanded its sales and marketing team, as well as market research.

Property Operation

The Group's property operation reported improved turnover and EBIT for 2004 as compared with 2003, of HK$46.9 million and HK$64.6 million respectively. During 2004, the Group disposed of an industrial property in Shenzhen realising a gain of HK$6.2 million.

The property market in Shanghai experienced robust growth in 2004. The city has benefited from the inflow of foreign investment as Mainland China's leading commercial and financial centre resulting in rising demand for prime office space. As a result, the Group's two properties, Harbour Ring Plaza and Harbour Ring Huang Pu Centre, maintained high average occupancy rate of 96% for the year, which together with rising rental levels and stable costs resulted in higher EBIT.

CAPITAL RESOURCES AND LIQUIDITY

The Group's financial position remained healthy in 2004. Total cash and cash equivalents plus other liquid listed investments amounted to HK$2,043.3 million as of 31 December 2004 (2003 – HK$2,047.5 million). As in the previous year, the Group was debt free at the end of 2004.

TREASURY POLICIES

As at 31 December 2004, the Group had no material exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

CHARGES AND CONTINGENT LIABILITIES

There were no fixed assets pledged as at 31 December 2004. As at 31 December 2003, mortgage loan facilities totalling HK$0.7 million granted by certain banks to purchasers of the Group's properties in China were secured by the guarantee of a subsidiary company. There were no contingent liabilities as at 31 December 2004.

HUMAN RESOURCES

Excluding associated companies, the Group employed 22,099 people at the end of 2004, 1,437 more than at the end of 2003. Total employee costs for the year, including directors' emoluments, amounted to HK$401.9 million compared to employee costs in 2003 of HK$371.5 million.

The salary and benefit levels of Group employees are competitive and individual performance is rewarded through the Group's salary and bonus system. Remuneration packages are reviewed annually during the year.

The Group places considerable emphasis on training and ensures employees have the skills training they need to be able to contribute towards achieving common goals.

OUTLOOK

The Group anticipates further growth in turnover from the technology and licensing and sourcing operations in 2005.

While business expansion over a wider geographical spread is the major focus for 2005, the Group is also continuing to pursue cost saving and improvement in process efficiency through further computerisation.

Although the toy markets globally remain competitive, the Group's strong customer relationships and reputation for on-time delivery of quality products should help to protect its leading position in the market. The Group is focusing on improving margins through appropriate pricing strategies to share the impact of price fluctuations of major raw materials with customers.

The technology operation is targeting another year of strong growth, which will continue to leverage on the new Bluetooth products, including a Bluetooth enabled Virtual Keyboard, that will have wider global distribution and should be supported by increasing businesses from existing customers including but not limited to LG. The growing in popularity of the "i.Tech" brand and products would also serve as a driving force propelling the operation forward in terms of turnover and profitability.

The Group's recently established licensing and sourcing operation will continue to seek opportunities for growth. Cooperation with Warner Bros. and their licensees in licensing, retailing, distribution, sourcing and manufacturing will generate additional turnover giving effect to the Group's strategy in diversifying operations to sustain strong business growth. Partnership with PRC sub-licensees to move the retailing business forward is being considered. The Group will also develop additional products for global distribution, such as apparel, stationery and electronic items. Licensing arrangements with other parties are being explored.

The continuing growth in the Chinese economy, and Shanghai's further development, should support high occupancy and rental levels at the Group's two properties, which should continue to provide a stable source of income to the Group.

PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities. In addition, the Company has not redeemed any of its listed securities during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company meets the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited which came into effect on 1 January 2005.

GENERAL INFORMATION

The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2004 have been reviewed by the audit committee of the Company and audited by the Company's auditors, PricewaterhouseCoopers. The unqualified auditors' report will be included in the Annual Report to shareholders.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on 17 May 2005. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

As at the date of this announcement, the Directors of the Company are:

Executive Directors：
Mr. FOK Kin-ning, Canning *(Chairman)*
Mr. LAI Kai Ming, Dominic *(Deputy Chairman)*
Mr. LUK Tei, Lewis *(Deputy Chairman and Deputy Managing Director)*
Mr. KO Yuet Ming *(Managing Director)*
Mrs. CHOW WOO Mo Fong, Susan
Mr. CHOW Wai Kam, Raymond
Ms. Edith SHIH
Ms. CHAN Wen Mee, May (Michelle)
Mr. ENDO Shigeru
Ms. CHEUNG Wing Han, Miranda
Mr. TAM Yue Man

Non-executive Director：
Mr. Ronald Joseph ARCULLI

Independent Non-executive Directors：
Mr. CHENG Ming Fun, Paul
Mr. KWAN Kai Cheong
Dr. LAM Lee G.

Ko Yuet Ming
Managing Director

Hong Kong, 21 March 2005

** for identification purpose only*

A member company of Hutchison Whampoa Limited