



Guoco Group Limited

國浩集團有限公司

(Incorporated in Bermuda with limited liability)

2003/2004 INTERIM ANNOUNCEMENT

RESULTS

The Board of Directors of Guoco Group Limited (“the Company”) is pleased to announce the unaudited consolidated net profit of the Company and its subsidiaries (the “Group”), after taxation and minority interests, for the six months ended 31 December 2003 together with comparative figures for the corresponding period last year as follows:

Consolidated Income Statement

		Six months ended 31 December 2003 (Unaudited) HK\$'000	Six months ended 31 December 2002 (Unaudited) HK\$'000	Change %
Turnover	2 & 3	1,266,546	887,586	43%
Cost of property sales		(630,269)	(425,744)	
Other attributable costs		<u>(66,494)</u>	<u>(72,924)</u>	
		569,783	388,918	
Other revenue		14,695	9,787	
Other net income	4	744,014	303,401	
Administrative and other operating expenses		<u>(113,093)</u>	<u>(123,747)</u>	
Operating profit before finance cost		1,215,399	578,359	
Finance cost		<u>(15,502)</u>	<u>(26,959)</u>	
Operating profit	2	1,199,897	551,400	118%
Loss on disposal of a subsidiary		—	(3,260)	
Impairment loss on investment securities		(166,275)	—	
Impairment loss write back/(provided) on properties		22,061	(5,420)	
Deficit on revaluation of investment properties		(68,109)	(134,953)	
Net gain on disposal of investment properties		<u>2,406</u>	<u>—</u>	
Operating profit on ordinary activities		989,980	407,767	
Share of profits less losses of associates		190,735	140,724	

		Six months ended 31 December 2003 (Unaudited) HK\$'000	Six months ended 31 December 2002 (Unaudited) HK\$'000	Change %
Share of profits less losses of jointly controlled entities		<u>—</u>	<u>374</u>	
Profit from ordinary activities before taxation	5	1,180,715	548,865	
Taxation	6	<u>12,575</u>	<u>(83,553)</u>	
Profit after taxation		1,193,290	465,312	
Minority interests		<u>37,905</u>	<u>(24,799)</u>	
Profit attributable to shareholders		1,231,195	440,513	179%
Appropriations:				
Final dividend paid	7	<u>(230,386)</u>	<u>(227,431)</u>	
Retained profit for the period		<u>1,000,809</u>	<u>213,082</u>	
Earnings per share		<i>HK\$</i>	<i>HK\$</i>	
Basic	8	<u>3.76</u>	<u>1.36</u>	176%
Diluted	8	<u>3.75</u>	<u>1.35</u>	178%
		<i>HK\$'000</i>	<i>HK\$'000</i>	
Proposed interim dividend	7	<u>131,621</u>	<u>130,885</u>	

Consolidated Balance Sheet

	At 31 December 2003 (Unaudited) HK\$'000	At 30 June 2003 (Audited) HK\$'000 (restated)
NON-CURRENT ASSETS		
Fixed assets	1,842,282	1,816,131
Interest in associates	3,090,050	3,188,626
Interest in jointly controlled entities	(20,555)	(33,851)
Other non-current financial assets	712,560	698,615
Deferred tax assets	8,888	8,888
Goodwill	<u>(130,474)</u>	<u>(79,922)</u>
	<u>5,502,751</u>	<u>5,598,487</u>

	At 31 December 2003 (Unaudited) HK\$'000	At 30 June 2003 (Audited) HK\$'000 (restated)
CURRENT ASSETS		
Development properties	3,912,350	3,994,830
Properties held for sale	471,066	475,218
Other assets	471,795	485,394
Other investments in securities	6,600,989	2,602,411
Cash and short term funds	19,838,585	<u>22,871,160</u>
	31,294,785	<u>30,429,013</u>
CURRENT LIABILITIES		
Other payables and provisions	584,206	468,636
Current portion of bank loans and other borrowings	3,187,044	2,989,862
Insurance funds	25,679	28,120
Taxation	189,112	<u>245,442</u>
	3,986,041	<u>3,732,060</u>
Net current assets	27,308,744	<u>26,696,953</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	32,811,495	<u>32,295,440</u>
NON-CURRENT LIABILITIES		
Non-current portion of bank loans and other borrowings	1,477,619	1,683,393
Deferred taxation	75,383	<u>71,011</u>
	1,553,002	<u>1,754,404</u>
Minority interests	1,619,589	<u>1,668,928</u>
NET ASSETS	29,638,904	<u>28,872,108</u>
CAPITAL AND RESERVES		
Share capital	1,277,150	1,275,800
Reserves	28,361,754	<u>27,596,308</u>
	29,638,904	<u>28,872,108</u>

1. Accounting policies

The financial statements have been prepared under the historical cost method as modified for the revaluation of investment properties and land and buildings, and marking to market of certain investments.

The accounting policies adopted are consistent with those used in the preparation of the Group's annual financial statements for the year ended 30 June 2003, with the exception of change in accounting policy following its adoption of revised Statement of Standard Accounting Practice ("SSAP") 12 (revised) "Income Taxes" issued by the Hong Kong Society of Accountants which is effective for the accounting period commencing on or after 1 January 2003.

In prior years, deferred tax liabilities were provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which were expected with reasonable probability to crystallise in the foreseeable future. Deferred tax assets were not recognised unless their realisation was assured beyond reasonable doubt. SSAP 12 (revised) requires the adoption of the balance sheet liability method, whereby deferred tax liability is provided in full in respect of all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy. As a result of the adoption of this accounting policy, the Group's opening retained earnings as at 1 July 2002 and 1 July 2003 have been increased by HK\$6,604,000 and HK\$7,365,000 respectively. There is no significant impact on the Group's net assets as at 31 December 2003 and its net profit attributable to shareholders for both periods presented.

2. Segment information

Business Segments

	Treasury, fund and investment management (Unaudited) HK\$'000	Property development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Securities, commodities and brokerage (Unaudited) HK\$'000	Insurance (Unaudited) HK\$'000	Inter- segment elimination (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
For the six months ended							
31 December 2003							
Turnover	470,406	669,229	46,273	32,968	47,670	—	1,266,546
Inter-segment turnover	43,098	—	2,499	396	—	(45,993)	—
	<u>513,504</u>	<u>669,229</u>	<u>48,772</u>	<u>33,364</u>	<u>47,670</u>	<u>(45,993)</u>	<u>1,266,546</u>
Contribution from							
operations	1,175,522	34,039	32,440	5,465	3,121		1,250,587
Unallocated income							21,231
Unallocated expenses							<u>(56,419)</u>
Operating profit before finance cost							<u>1,215,399</u>

	Treasury, fund and investment (Unaudited) HK\$'000	Property development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Securities, commodities and brokerage (Unaudited) HK\$'000	Insurance (Unaudited) HK\$'000	Inter- segment elimination (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
For the six months ended 31 December 2002							
Turnover	225,821	508,595	76,152	23,396	53,622	—	887,586
Inter-segment turnover	<u>3,736</u>	<u>—</u>	<u>3,696</u>	<u>94</u>	<u>218</u>	<u>(7,744)</u>	<u>—</u>
	<u>229,557</u>	<u>508,595</u>	<u>79,848</u>	<u>23,490</u>	<u>53,840</u>	<u>(7,744)</u>	<u>887,586</u>
Contribution from operations	478,938	85,206	38,439	(17,258)	4,008		589,333
Unallocated income							9,459
Unallocated expenses							<u>(20,433)</u>
Operating profit before finance cost							<u>578,359</u>

Geographical Segments

	Turnover		Operating profit/(loss)	
	Six months ended 31 December 2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000	Six months ended 31 December 2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
Hong Kong	558,154	295,797	1,005,800	502,277
Singapore	693,324	558,957	158,567	39,562
Asia (excluding Hong Kong and Singapore)	10,278	28,332	36,275	9,600
Others	<u>4,790</u>	<u>4,500</u>	<u>(745)</u>	<u>(39)</u>
	<u>1,266,546</u>	<u>887,586</u>	<u>1,199,897</u>	<u>551,400</u>

3. Turnover

	Six months ended 31 December	
	2003 (Unaudited) HK\$'000	2002 (Unaudited) HK\$'000
Income from sale of properties	669,230	508,595
Income from sale of investments in securities	267,328	(5,997)
Interest income	149,539	163,043
Dividend income from listed securities	48,182	14,334
Dividend income from unlisted securities	—	46,838
Gross insurance premiums	47,468	53,279
Rental income from properties	45,349	59,822
Securities commission and brokerage	27,278	19,028
Other income	<u>12,172</u>	<u>28,644</u>
	<u>1,266,546</u>	<u>887,586</u>

4. **Other net income**

	Six months ended	
	31 December	
	2003 (Unaudited) HK\$'000	2002 <i>(Unaudited)</i> HK\$'000
Net unrealised gains / (losses) on other investments	386,476	(225,158)
Net exchange gains	336,384	142,128
Net realised gains on other investments	18,879	426,679
Gain on foreign exchange contracts	6,870	13,991
Gain on disposal of fixed assets	101	47
Others	(4,696)	(54,286)
	<u>744,014</u>	<u>303,401</u>

5. **Profit from ordinary activities before taxation**

Profit from ordinary activities before taxation is arrived at

	Six months ended	
	31 December	
	2003 (Unaudited) HK\$'000	2002 <i>(Unaudited)</i> HK\$'000
after charging:		
Staff costs (including retirement scheme contributions of HK\$4,790,000 (2002: HK\$3,946,000))	73,589	78,305
Depreciation	9,470	11,222
Operating lease charges		
— properties	6,544	5,771
— others	39	31
Amortisation of positive goodwill included in share of profits less losses of associates	5,558	3,330
Auditors' remuneration	1,040	1,022
Impairment loss on properties	—	5,420
Impairment loss on investment securities	166,275	—
Donations	16	55
and crediting:		
Amortisation of negative goodwill	18,102	6,379
Impairment loss write back on properties	22,061	—
Gross rental income from investment properties	45,349	59,822
Less: direct outgoings	(4,176)	(6,153)
Net rental income	41,173	53,669
Share of profits less losses of associates:		
— Listed	188,662	120,159
— Unlisted	2,073	20,565
	<u>190,735</u>	<u>140,724</u>

6. Taxation

	Six months ended	
	31 December	
	2003	2002
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Hong Kong Profits Tax	(22,605)	1,162
Overseas taxation	(12,187)	16,377
Deferred taxation	<u>3,509</u>	<u>18,061</u>
	(31,283)	35,600
Share of associates' taxation	<u>18,708</u>	<u>47,953</u>
	<u>(12,575)</u>	<u>83,553</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 17.5% (2002: 16%) to the profits for the six months ended 31 December 2003. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that would be applicable to the relevant countries.

7. Dividends

	Six months ended	
	31 December	
	2003	2002
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
2003: Final dividend paid of HK\$0.70 per share (2002: HK\$0.70 per share)	<u>230,386</u>	<u>227,431</u>
2004: Proposed interim dividend of HK\$0.40 per share (2003: HK\$0.40 per share)	<u>131,621</u>	<u>130,885</u>

The proposed interim dividend for the year ending 30 June 2004 of HK\$131,621,000 is calculated based on 329,051,373 ordinary shares in issue as at 31 December 2003.

8. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$1,231,195,000 (2002: HK\$440,513,000) and the weighted average number of 327,686,481 ordinary shares (2002: 324,490,014 ordinary shares) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to shareholders of HK\$1,230,745,000 (2002: HK\$440,405,000) and the weighted average number of 328,533,778 ordinary shares (2002: 327,041,227 ordinary shares) in issue during the period after adjusting for the effect of all dilutive potential ordinary shares.

(c) *Reconciliations*

	2003	2002
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of ordinary shares used in calculating basic earnings per share	327,686,481	324,490,014
Deemed issue of ordinary shares under share option scheme	<u>847,297</u>	<u>2,551,213</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>328,533,778</u>	<u>327,041,227</u>

9. **Hong Kong dollar amounts**

The financial statements of the Company are maintained in United States dollars. The accounting figures shown above have been translated from United States dollars into Hong Kong dollar equivalent at the rate ruling at the respective financial period ends for presentation purposes only (2003: US\$1 = HK\$7.7626, 2002: US\$1 = HK\$7.7985).

FINANCIAL RESULTS

The unaudited consolidated profit attributable to shareholders of the Group for the six months ended 31 December 2003 is HK\$1,231 million, which represents an increase of approximately 179 % over the corresponding period last year. Basic earnings per share also increased by approximately 176 % to HK\$3.76. Consolidated shareholders' funds have increased to HK\$29.6 billion, representing an increase of approximately 2.7% over the last financial year ended 30 June 2003.

Overall turnover increased by HK\$379 million, mainly attributable to the increase of 108% or HK\$245 million turnover in treasury, fund and investment management sector and the increase of 32% or HK\$161 million in income from sale of properties.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$0.40 per share amounting to HK\$131,621,000 (2002/2003 interim dividend: HK\$0.40 per share amounting to HK\$130,885,000) for the financial year ending 30 June 2004 which will be payable on 6 April 2004 to the shareholders whose names appear on the Register of Members on 2 April 2004.

REVIEW OF OPERATIONS

Treasury, Fund and Investment Management

The Board Investment Committee devised investment policies and parameters covering core investment, time deposit, money market instruments, fixed income, equities and financial instruments. The Group also adopted stringent concentration risks control guidelines including setting limits for country risk, counterparty, currency and duration. In evaluating

the credit risk of the counterparties, their financial strength with reference to their credit ratings and settlement ability are the primary consideration. The internal audit department assures compliance with these policies, procedures and regulatory requirements by regular audits.

With strict adherence to the Group's risk management parameters and investment management approach, the Group achieved a satisfactory level of return against the current low interest rate environment and volatile currency and investment markets. The Group's treasury, fund and investment management sector contributed approximately HK\$1,176 million to the operating profit before finance cost.

Market performance remained strong over the last few months. Investment sentiment was driven by increased risk appetite of investors, abundant liquidity and perceived synchronized global growth recovery. However, markets are expected to remain volatile as investors are concerned with sustainability of global growth and the prospect of rising interest rates. Consequently, such market rising momentum may be checked if not supported by the fundamentals of the underlying economies.

The Group has been expanding its investment infrastructure to manage its treasury operations and investment funds to pursue structured investment opportunities on a global basis.

Property Division

Strategic initiatives to build capital value

As a further initiative to rationalise and consolidate the property and property-related activities of the Group in GuocoLand Limited ("GLL"), the Company and Hong Leong Company (Malaysia) Berhad ("HLCM") entered into a conditional sale and purchase agreement with GLL in September 2003 for the sale of approximately 11.28% and 28.3% respective shareholdings in Hong Leong Properties Berhad (in aggregate approximately 39.58%) to GLL at a price of RM0.57 per share. The consideration will be satisfied by the issue of approximately 61.6 million ordinary shares of S\$1.00 each in the share capital of GLL at an issue price of S\$1.18 each. The transaction is expected to complete in mid-March 2004. The Group's interest in GLL after the transaction will be reduced from approximately 65.0% to 61.4%.

GuocoLand Limited ("GLL") - 65.0% owned by the Group

GLL's revenue increased by 23% to S\$156.8 million for the half year ended 31 December 2003 compared to the previous corresponding period, mainly attributable to higher progressive revenue recognition from its launched residential properties under development.

For the half year ended 31 December 2003, GLL Group reported a net profit of S\$29.8 million, against S\$10.7 million in the previous corresponding period.

GLL Group's net asset value per ordinary share decreased from S\$1.52 as at 30 June 2003 to S\$1.41 as at 31 December 2003, mainly due to the enlarged share capital base arising from the conversion of 96.1 million non-redeemable convertible cumulative preference shares.

GLL Group currently has eight launched developments on the market: Sanctuary Green, The Gardens at Bishan, Bishan Point, Le Crescendo, Leonie Studio, Nathan Place, The Ladyhill (in which GLL Group has 40% interest) and The Boulevard Residence (in which GLL Group has 40% interest).

In Singapore, the improved market outlook and low interest rate environment are positive factors for the residential property market. Over the next twelve months, private residential prices are expected to be firmer. GLL Group nonetheless expects the operating environment in Singapore to remain competitive and challenging.

In China, Corporate Square in Beijing is currently 66% sold and resettlement is in progress for GLL Group's residential project at Zhenwumiao in Beijing. GLL Group has obtained the sales permit for one of the three blocks of condominium units in Central Park, Shanghai. The sales permit for the two other blocks will be issued when the super-structure is two-thirds completed. GLL Group is working towards officially launching the condominium units in the second half year of 2004.

On 5 December 2003, Benchmark Group PLC ("Benchmark"), GLL's 34.5% associate listed on the London Stock Exchange, announced that it had received approaches from various parties indicating they might be interested in considering a possible offer for the Company. It further announced on 1 March 2004 that it has granted to GE Real Estate ("GERE") a period of exclusivity, until 8 April 2004, in which to complete due diligence with a view to GERE making offers for the ordinary share capital of Benchmark at approximately 280 pence per share and for the 5.75% Convertible Unsecured Loan Stock 2013 of Benchmark (the "Stock") at approximately £103 per £100 nominal of Stock.

GLL and Friends Provident plc, which between them control approximately 69% of Benchmark's issued share capital and 50% of the outstanding Stock, have indicated that it is their current intention to give irrevocable undertakings to accept any offers which may be made by GERE at 280 pence per ordinary share and £103 per £100 nominal of Stock, at the time of the announcement of such offers.

Financial Industry Group

Hong Leong Credit Berhad ("HLCB") — 25.3% owned by the Group

HLCB registered a profit before tax of RM383.2 million for the financial period ended 31 December 2003 as compared to RM379.2 million in the previous corresponding period ended 31 December 2002. This is mainly due to higher revenue earned from the securities and insurance divisions.

The banking and finance division recorded a profit before tax of RM359.1 million for the financial period ended 31 December 2003, a decline of RM34.2 million as compared to RM393.3 million in the previous corresponding period. Turnover declined by RM36.0 million as a result of the narrower interest margin earned as well as lower contribution from hire purchase business due to its reduced loan base. In addition, the weakness in the bond market during the first quarter of the financial year also lowered the division's profitability for the current period. Loan loss provisions increased by RM2.4 million due mainly to

provisions made for a few accounts. However, this was partially offset by a strong growth registered by its mortgage business, which has grown by 11% since June 2003 as well as continuing cost control initiatives which resulted in operating expenses reducing by RM4.7 million.

The insurance division registered a profit before tax of RM37.9 million for the financial period ended 31 December 2003 compared to a profit before tax RM23.9 million for the previous corresponding financial period. This was principally due to better market sentiments, which resulted in higher gains on sales of investments.

The stockbroking division recorded a higher profit before tax of RM18.3 million for the financial period ended 31 December 2003 compared to a loss before tax of RM22.5 million in the previous corresponding financial period. This was principally due to better market sentiments and a lower cost-base resulting from right-sizing of the stockbroking division's operations in the previous corresponding financial period whereby there were significant non recurring write-offs of property and equipment.

With the completion of the demerger of Hong Leong Properties Berhad on 12 August 2003, HLCB's share of profit before tax in the property division up to the disposal date amounted to RM0.5 million compared to a profit before tax of RM3.5 million in the previous corresponding period.

Hong Kong Financial Services Subsidiaries

In December 2003, the Group entered into an agreement with The Principal Financial Group ("The Principal") of the US for the disposal of its entire interest in Dao Heng Fund Management Limited ("DHFM"). As a global leader in retirement and investment services, The Principal is especially well suited to serve the unique investment needs of its customers. We are therefore confident that the investment requirements of DHFM's customers will continue to be well served by The Principal. The disposal was completed in January 2004 and the profit arising from disposal amounted to approximately HK\$85 million.

The financial services companies including Dao Heng Securities Limited and Dao Heng Insurance Co., Limited have achieved improved profitability after having rationalised their operations through measures including right-sizing and enhancement of information technology systems. These measures have enabled them to sustain with resilience and to manage growth and resource deployment within their financial capability.

FINANCIAL COMMENTARY

Borrowings

As at 31 December 2003, the Group had reduced its total borrowings by 0.2% to HK\$4,665 million from HK\$4,673 million as at 30 June 2003. Unsecured borrowings comprise 41% of total borrowings. All the borrowings belonged to GLL and primarily represent GLL's property project loans.

The Group's bank loans and other borrowings were repayable as follows:

	Bank loans <i>HK\$'000</i>	Other borrowings <i>HK\$'000</i>	Total <i>HK\$'000</i>
On demand or within 1 year	2,776,309	410,735	3,187,044
After 1 year but within 2 years	101,007	364,213	465,220
After 2 years but within 5 years	703,183	309,216	1,012,399
	<u>804,190</u>	<u>673,429</u>	<u>1,477,619</u>
	<u>3,580,499</u>	<u>1,084,164</u>	<u>4,664,663</u>

The loans are secured by the following:

- a legal mortgages on investment properties with a book value of HK\$593 million;
- b legal mortgages on development properties with a book value of HK\$3,974 million; and
- c certain equity investments with total carrying value of HK\$512 million.

As at 31 December 2003, the Group has net cash balance of HK\$15,174 million after netting off the total borrowings of HK\$4,665 million.

Contingent liabilities

As at 31 December 2003, there were contingent liabilities in respect of guarantees given to bankers by the Group and the Company to secure banking facilities to the extent of HK\$165 million (30 June 2003: HK\$313 million) and HK\$165 million (30 June 2003: HK\$165 million) respectively granted to group companies and certain investee companies of the Group.

Capital and finance

The Group's consolidated shareholders' funds as at 31 December 2003, after adjusting for an increase in share capital and share premium of HK\$37 million upon the exercise of share options during the period, amounted to HK\$29,639 million.

HUMAN RESOURCES AND TRAINING

The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce and is committed to provide its staff with ongoing development programmes.

The remuneration policy for the Group's employees is reviewed by management on a regular basis. Remuneration packages are structured to take into account the level and composition of pay and general market conditions in the respective countries and businesses in which the Group operates. Bonus and other merit payments are linked to the financial performance of

the Group and individual performance as incentives to optimise performance. Share options may also be granted in accordance with the approved share option scheme or plan adopted by the Company to eligible employees to reward their contribution and foster loyalty towards the Group.

OUTLOOK

We believe there are still a number of issues that the global financial system will have to deal with, such as the prospect of rising interest rates later this year and the continuing rebalancing of exchange rates. The outcome of these issues could cause market volatility, although short-term liquidity flows are likely to dominate market direction in the remaining financial year ended 30 June 2004. Corporate earnings growth will be a major factor in determining market performance over the next few months. The outlook is favorable but at the same time expectations are high. We are cautiously optimistic for the next few months.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

COMPLIANCE WITH CODE OF BEST PRACTICE

None of the Directors of the Company is aware of information which would reasonably indicate that the Company was not in compliance with the Code of Best Practice, as adopted by the Company, at any time during the six months ended 31 December 2003. The provisions in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited are in principle incorporated in the Code of Best Practice adopted by the Company, except that the independent non-executive directors are not appointed for a specific term but their terms of office are subject to retirement by rotation and re-election at the annual general meetings in accordance with the Company's Bye-laws.

STATUTORY ACCOUNTS

The information in this interim results is unaudited and does not constitute statutory accounts.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 30 March 2004 to 2 April 2004, both days inclusive, during which period no transfer of shares can be effected.

In order to qualify for the interim dividend, all share transfers accompanied by the requisite share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Investor Services Hong Kong Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on 29 March 2004.

PUBLICATION OF DETAILED INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

All the financial and other related information of the Company required by paragraph 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.guoco.com>). This announcement is also accessible on both websites.

By order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 11 March 2004