

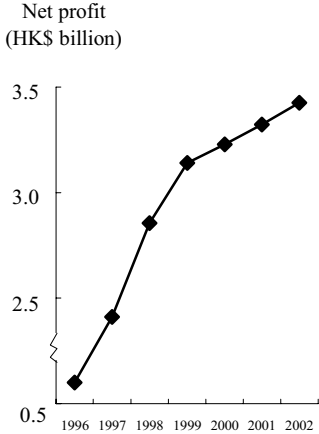
*(Incorporated in Bermuda with limited liability)*

# THE CHAIRMAN’S LETTER FOR 2002

## Highlights

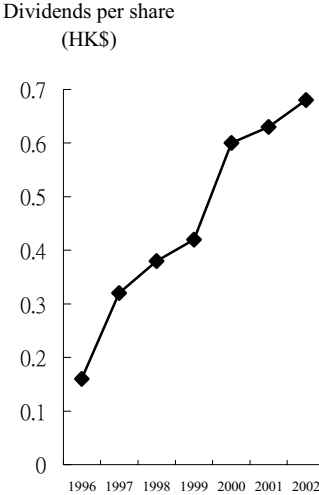
- Sustained growth for the sixth consecutive year**

	<u>2002</u>	<u>Change</u>
Net profit (HK\$)	3.4 billion	+3%
Dividends per share (HK\$)	0.68	+8%



- Strong 2002 achievements due to**

- Strong Hongkong Electric performance
- Better than planned returns from Australian portfolio
- Additional income from newly acquired CitiPower investment
- Stable income from China infrastructure portfolio



- Strong financials**

- Net debt-to-equity ratio 19%
- Cash on hand approximately HK\$7 billion

- Aim to sustain growth through**

- Continuing to invest
- Continuing to consolidate assets and businesses

## **TO OUR SHAREHOLDERS**

### **Six Consecutive Years of Sustained Growth**

We are pleased to report that Cheung Kong Infrastructure Holdings Limited (“CKI”) recorded another year of profit in 2002. This marks the sixth consecutive year of sustained growth in profit for the Group since listing. The Group’s audited consolidated profit attributable to shareholders for the year ended 31st December, 2002 was HK\$3,425 million, an increase of 3 per cent. from the previous year. Earnings per share were HK\$1.52.

The Board of Directors is recommending a final dividend of HK\$0.465 per share. Together with the interim dividend of HK\$0.215 per share, this will bring the total dividend for the year to HK\$0.68 per share, a 8 per cent. increase from the HK\$0.63 per share paid in 2001. This also represents the sixth consecutive year of dividend growth subsequent to listing. The proposed dividend will be paid on 20th May, 2003 following approval at the Annual General Meeting, to shareholders whose names appear on the Register of Members on 15th May, 2003.

2002 was a challenging and unsettling year. Despite the unfavourable global environment, the Group successfully capitalised on each growth opportunity and showed good progress. A satisfactory performance was achieved and high returns to shareholders generated. Most encouraging of all, the Group has maintained a year-on-year profit and dividend growth for six consecutive years since listing in 1996.

### **Core Businesses Form Steady Income Base**

CKI’s core businesses continued to record a strong performance, forming a solid revenue base for the Group. This steady income stream provided ample funding for the Group’s development and contributed greatly to reinforcing the Group’s financial strength:

#### **1. Investment in Hongkong Electric**

- Hongkong Electric Holdings Limited (“Hongkong Electric”) has been a long-term and reliable cash income base for the Group. It continued to be the biggest revenue stream contributing approximately 60 per cent. of the Group's profit for 2002.

## Cheung Kong Infrastructure Holdings Limited

- Apart from organic growth in its core businesses, Hongkong Electric's co-investment with CKI in Australia in ETSA Utilities, Powercor Australia Limited ("Powercor") and CitiPower I Pty Ltd. ("CitiPower") generated further significant returns.

### **2. Infrastructure Investment**

- CKI's infrastructure investments in Australia continued to report satisfactory progress. Construction of the Cross City Tunnel in Sydney has commenced, and the three existing projects - Envestra Limited, ETSA Utilities and Powercor - continued to provide steady and significant income for the Group. Additional revenue was also derived from the newly acquired CitiPower investment. The Australian portfolio, which accounted for approximately 20 per cent. of the Group's profit contribution for the year, has become increasingly significant to the Group's earnings base as a whole.
- In the Mainland, power plants, toll roads and bridges spanning across different provinces and cities continued to generate significant cash income and profit for the Group. During the year, electricity generated by the Zhuhai Power Plant exceeded the contractual minimum power purchasing quantity of 6.8 billion kWh. It also attained an excellent safety record of "over 300 days of safe plant operation" in the Guangdong Power Network. The performance marked an important milestone for power plant operation in the Mainland.

### **3. Infrastructure Materials and Infrastructure-related Businesses**

- The construction industry remained sluggish and the operating environment has yet to recuperate. Business in CKI's infrastructure materials and infrastructure-related businesses stabilised during the year after adjustments were made to production volume and prices. Respectable profit contributions were recorded following continued efforts to further streamline the operations.

## **Solid Financials Enable Sustained Growth**

- The Group continued to maintain a healthy balance sheet, a relatively low gearing ratio, and a strong cash position. At the end of 2002, the Group recorded a net debt-to-equity ratio of 19 per cent. and cash on hand of approximately HK\$7 billion – an exceptionally strong financial position highly favourable for future growth.
- The Group's borrowings consisted of mainly medium to long term debt.
- The “A-” credit rating with “Stable” outlook was reaffirmed by Standard & Poor's (“S&P”).

## **Mainland Asset Consolidation Reaps Benefits**

The Group's asset consolidation efforts in the Mainland made good progress in 2002. Not only has the cash income generated from the consolidation further reinforced the Group's financial strength, the efforts also mitigated the impact caused by policy changes in "guaranteed-return" and power industry reforms.

- Zengcheng Lixin Road was sold for HK\$132 million, achieving an internal rate of return of 20 per cent.
- The divestment of Shantou Power Plants was concluded at HK\$239 million, generating an internal rate of return of 10 per cent.
- The sale of Nanhai Road Network, which was largely completed at the end of 2002, recouped approximately HK\$1,400 million and is expected to generate an internal rate of return of about 8 per cent.

## **Overseas Investments Mark New Progress**

Many investment opportunities emerged from the global economic turmoil. Leveraging on its solid financial strength, the Group continued its globalisation strategy and actively pursued new investment opportunities around the world in the past year. The performance of the Group's investments in Australia was particularly noteworthy:

### **1. CitiPower in Melbourne**

- In July 2002, CKI and Hongkong Electric completed the acquisition of CitiPower for A\$1,418 million. This electricity distributor serves approximately 265,000 customers in Melbourne, Victoria and its surrounding suburbs.
- According to a recent report by KPMG, this transaction was the third largest acquisition involving Hong Kong listed companies during 2002.
- Upon completion of the transaction, CitiPower's S&P credit rating was upgraded to "A-" from "BBB+" signifying S&P's confidence in the new shareholders, CKI and Hongkong Electric.
- CitiPower is CKI and Hongkong Electric's second investment in electricity distribution in the state of Victoria, Australia. Together with the earlier acquisition of Powercor, the largest power distributor in Victoria, and ETSA Utilities, the sole power distributor in South Australia, CKI and Hongkong Electric have become the largest electricity distributor in the country, serving a total of 1.65 million customers.

### **2. Cross City Tunnel in Sydney**

- In December 2002, a consortium led by CKI with a 50 per cent. interest was awarded the Cross City Tunnel project. The A\$1 billion toll tunnel will link Sydney's eastern suburbs with the western side of the city upon completion. Construction has commenced at the beginning of 2003, with completion scheduled for 2006.

- The Cross City Tunnel denotes an important breakthrough for CKI's infrastructure investments in terms of geography as well as business scope. The tunnel is the Group's first infrastructure project in the state of New South Wales, and also the first transportation investment outside of the Mainland and Hong Kong.

## **Build from Solid Foundations, Capitalise on New Opportunities**

Since the Group's listing in 1996, the Group's assets have been steadily increasing. Expansion has been made in both scope and scale. CKI has continued to make solid, steady progress, recording good performances year on year, both in the boom times of the infrastructure industry and during the more difficult recent business climate. Today, CKI is one of the world leading infrastructure companies, a global player investing and operating in a comprehensive range of infrastructure businesses.

2003 is expected to be another challenging and unsettling year. CKI is one of the few ready, willing and capable infrastructure investors in the world. Leveraging on the Group's strong financial position, solid experience in infrastructure, and sharp business acumen, CKI will continue to study new infrastructure opportunities around the world and make appropriate investment decisions. In addition, the Group will carry out appropriate asset consolidation and streamline operations to maximise returns for shareholders.

From its current solid foundations, CKI looks forward to years of sustained growth in the future ensuring a solid leadership position in the global infrastructure arena.

I would like to take this opportunity to thank the Board of Directors and our staff for their dedication and contribution, and to all the shareholders for their support and confidence in the Group.

**Li Tzar Kuoi, Victor**

Chairman

Hong Kong, 13th March, 2003

## **FINANCIAL REVIEW**

### **Financial Resources, Treasury Activities And Gearing Ratio**

The Group's capital expenditure and investments were funded from cash in hand, internal cash generation, syndicated loans, notes issued and other project loans.

As at 31st December, 2002, total borrowings of the Group amounted to HK\$12,645 million, which included Hong Kong dollar syndicated loan of HK\$3.8 billion, foreign currency borrowings of HK\$8,754 million and RMB bank loans of HK\$91 million. Of the total borrowings, 18 per cent. were repayable in 2003, 66 per cent. repayable in 2004 to 2007 and 16 per cent. repayable beyond 2007. The Group's financing activities continue to be well received and fully supported by its bankers.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollars, U.S. dollars or Australian dollars. The Group's liquidity and financing requirements are reviewed regularly. The Group will consider new financing while maintaining an appropriate level of gearing in anticipation of new investments or maturity of bank loans.

As at 31st December, 2002, the Group maintained a gearing ratio of 19 per cent. which was based on its net debt of HK\$5,454 million and equity of HK\$28,853 million. This ratio was higher than the gearing ratio of 16 per cent. at the year end of 2001 due to drawdown of a short-term Australian dollars bridging loan of HK\$1,823 million for the acquisition of CitiPower I Pty Ltd. during the year. For potential project financing requirements from business growth, the Group issued foreign currency fixed rate notes totalling HK\$1,813 million in March 2002 under the Group's US\$2 billion medium term note programme established in March 2001. In addition, the Group entered into a syndicated loan facility agreement of HK\$3.8 billion in May 2002 which was fully drawn in September 2002 to refinance the HK\$3.1 billion syndicated loan.

## Cheung Kong Infrastructure Holdings Limited

To minimise currency risk exposure in respect of its investments in other countries, the Group has a policy of hedging those investments with the appropriate level of borrowings denominated in the local currencies of those countries. As at 31st December, 2002, the Group has swapped the floating interest rates of its borrowings totalling HK\$6,539 million into fixed interest rates. The Group will consider entering into further interest and currency swap transactions to hedge against its interest rate and currency risk exposures, as appropriate.

### Charge On Group Assets

As at 31st December, 2002:

- certain of the Group's land and buildings and other assets with carrying values totalling HK\$78 million were pledged to secure bank borrowings totalling HK\$24 million; and
- the Group's interests in an affiliated company with carrying value of HK\$1,982 million were pledged as part of the security to secure bank borrowings totalling HK\$4,778 million granted to the affiliated company.

### Contingent Liabilities

As at 31st December, 2002, the Group was subject to the following contingent liabilities:

HK\$ million

Guarantees in respect of bank loans drawn by affiliated companies	1,031
Performance bonds	25
<b>Total</b>	<b>1,056</b>



## **Employees**

The Group, including its subsidiaries but excluding affiliated companies, employs a total of 1,898 employees. Employees' cost (excluding directors' emoluments) amounted to HK\$370 million. The Group ensures that the pay levels of its employees are competitive and that its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Preferential subscription of 2,978,000 new shares of the Company was given to those employees who had submitted the pink application forms to subscribe for shares of HK\$1.00 each in the Company at HK\$12.65 per share on the flotation of the Company in 1996. The Group does not have any share option scheme for employees.

## **PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

A detailed annual results announcement for the year ended 31st December, 2002 containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be published on the website of the Stock Exchange in due course.

**AUDITED CONSOLIDATED INCOME STATEMENT**

for the year ended 31st December

HK\$ million	Notes	2002	2001
<b>Turnover</b>	1		
Group turnover		1,872	2,316
Share of turnover of jointly controlled entities		1,723	1,522
		<b>3,595</b>	<b>3,838</b>
<b>Group turnover</b>	1	<b>1,872</b>	2,316
Other revenue	2	1,039	2,049
Operating costs	3	(2,051)	(3,846)
<b>Operating profit</b>	4	<b>860</b>	519
Finance costs		(624)	(551)
Share of results of associates		3,201	3,307
Share of results of jointly controlled entities		453	408
<b>Profit before taxation</b>		<b>3,890</b>	3,683
Taxation	5	(470)	(392)
<b>Profit after taxation</b>		<b>3,420</b>	3,291
Minority interests		5	32
<b>Profit attributable to shareholders</b>	4	<b>3,425</b>	<b>3,323</b>
<b>Earnings per share</b>	6	<b>HK\$1.52</b>	HK\$1.47
<b>Dividends</b>			
Interim dividend paid		485	473
Proposed final dividend		1,048	947
		<b>1,533</b>	<b>1,420</b>
<b>Dividends per share</b>			
Interim		<b>HK\$0.215</b>	HK\$0.21
Proposed final		<b>HK\$0.465</b>	HK\$0.42
		<b>HK\$0.68</b>	<b>HK\$0.63</b>

**NOTES TO THE CONSOLIDATED INCOME STATEMENT****1. TURNOVER**

Group turnover represents net sales from infrastructure materials businesses, return on investments and interest income received and receivable from infrastructure project investments, net of withholding tax, where applicable.

In addition, the Group also accounts for its proportionate share of turnover of jointly controlled entities. Turnover of associates is not included.

**By business segment**

for the year ended 31st December

HK\$ million	<b>2002</b>	<b>2001</b>	<b>Total</b>	<b>Group</b>	<b>Group</b>	<b>Total</b>
	<b>Share of</b>	<b>Share of</b>		<b>turnover</b>	<b>turnover</b>	
	<b>of jointly</b>	<b>of jointly</b>		<b>of jointly</b>	<b>of jointly</b>	
	<b>controlled</b>	<b>controlled</b>		<b>controlled</b>	<b>controlled</b>	
	<b>turnover</b>	<b>turnover</b>		<b>turnover</b>	<b>turnover</b>	
	<b>entities</b>	<b>entities</b>		<b>entities</b>	<b>entities</b>	
Infrastructure investments	277	1,723	2,000	362	1,522	1,884
Infrastructure materials and infrastructure-related businesses	1,595	-	1,595	1,954	-	1,954
<b>Total</b>	<b>1,872</b>	<b>1,723</b>	<b>3,595</b>	<b>2,316</b>	<b>1,522</b>	<b>3,838</b>

**By geographic region**

for the year ended 31st December

HK\$ million	<b>2002</b>	<b>2001</b>	<b>Total</b>	<b>Group</b>	<b>Group</b>	<b>Total</b>
	<b>Share of</b>	<b>Share of</b>		<b>turnover</b>	<b>turnover</b>	
	<b>of jointly</b>	<b>of jointly</b>		<b>of jointly</b>	<b>of jointly</b>	
	<b>controlled</b>	<b>controlled</b>		<b>controlled</b>	<b>controlled</b>	
	<b>turnover</b>	<b>turnover</b>		<b>turnover</b>	<b>turnover</b>	
	<b>entities</b>	<b>entities</b>		<b>entities</b>	<b>entities</b>	
Hong Kong	1,194	-	1,194	1,574	-	1,574
Mainland China	600	1,723	2,323	703	1,522	2,225
Others	78	-	78	39	-	39
<b>Total</b>	<b>1,872</b>	<b>1,723</b>	<b>3,595</b>	<b>2,316</b>	<b>1,522</b>	<b>3,838</b>

## 2. OTHER REVENUE

Other revenue includes the following:

HK\$ million	2002	2001
Interest income	748	674
Finance lease income	5	7
Distributions from listed stapled securities	53	44
Dividends from other listed securities	-	2
Gain on disposals of subsidiaries	51	222
Gain on disposals of listed securities	97	36
Charterhire service income	28	1,007

## 3. OPERATING COSTS

Operating costs include the following:

HK\$ million	2002	2001
Depreciation	193	194
Amortisation of costs of investments in infrastructure projects	138	171
Provision against interests in infrastructure project investments	-	500
Cost of charterhire services rendered	28	1,007
Cost of inventories sold	1,117	1,371

# Cheung Kong Infrastructure Holdings Limited

## 4. SEGMENT INFORMATION

### By business segment

for the year ended 31st December

HK\$ million	Investment in Hongkong Electric*		Infrastructure investments		Infrastructure materials and infrastructure- related businesses		Unallocated items		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
<b>Segment revenue</b>										
Group turnover	-	-	277	362	1,595	1,954	-	-	1,872	2,316
Charterhire service income	-	-	-	-	28	1,007	-	-	28	1,007
Others	-	-	15	23	42	34	-	-	57	57
	-	-	292	385	1,665	2,995	-	-	1,957	3,380
<b>Segment result</b>	-	-	101	149	47	147	-	-	148	296
Provision against interests in infrastructure project investments	-	-	-	(500)	-	-	-	-	-	(500)
Gain on disposals of subsidiaries and listed securities	-	-	51	232	-	-	97	26	148	258
Interest and finance lease incomes	-	-	608	538	88	101	57	42	753	681
Other revenue	-	-	53	46	-	-	-	-	53	46
Net corporate overheads	-	-	-	-	-	-	(242)	(262)	(242)	(262)
<b>Operating profit</b>	-	-	813	465	135	248	(88)	(194)	860	519
Finance costs	-	-	-	-	-	-	(624)	(551)	(624)	(551)
Share of results of associates and jointly controlled entities	3,021	2,806	633	909	-	-	-	-	3,654	3,715
Taxation	(389)	(302)	(69)	(51)	(12)	(33)	-	(6)	(470)	(392)
Minority interests	-	-	-	-	5	32	-	-	5	32
<b>Profit attributable to shareholders</b>	2,632	2,504	1,377	1,323	128	247	(712)	(751)	3,425	3,323

\* During the year, the Group has a 38.87 per cent. equity interest in Hongkong Electric Holdings Limited (“Hongkong Electric”), which is listed on The Stock Exchange of Hong Kong Limited.

# Cheung Kong Infrastructure Holdings Limited

## By geographic region

for the year ended 31st December

HK\$ million	Hong Kong		Mainland China		Australia		Others		Unallocated items		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
<b>Segment revenue</b>												
Group turnover	<b>1,194</b>	1,574	<b>600</b>	703	-	-	<b>78</b>	39	-	-	<b>1,872</b>	2,316
Charterhire service income	-	40	-	109	-	6	<b>28</b>	852	-	-	<b>28</b>	1,007
Others	<b>31</b>	21	<b>16</b>	24	-	-	<b>10</b>	12	-	-	<b>57</b>	57
	<b>1,225</b>	1,635	<b>616</b>	836	-	6	<b>116</b>	903	-	-	<b>1,957</b>	3,380
<b>Segment result</b>	<b>146</b>	283	<b>20</b>	44	-	-	<b>(18)</b>	(31)	-	-	<b>148</b>	296
Provision against interests in infrastructure project investments	-	-	-	(500)	-	-	-	-	-	-	-	(500)
Gain on disposals of subsidiaries and listed securities	-	10	<b>51</b>	222	-	-	-	-	<b>97</b>	26	<b>148</b>	258
Interest and finance lease incomes	<b>87</b>	100	<b>1</b>	-	<b>608</b>	538	-	1	<b>57</b>	42	<b>753</b>	681
Other revenue	-	2	-	-	<b>53</b>	44	-	-	-	-	<b>53</b>	46
Net corporate overheads	-	-	-	-	-	-	-	-	<b>(242)</b>	(262)	<b>(242)</b>	(262)
<b>Operating profit</b>	<b>233</b>	395	<b>72</b>	(234)	<b>661</b>	582	<b>(18)</b>	(30)	<b>(88)</b>	(194)	<b>860</b>	519
Finance costs	-	-	-	-	-	-	-	-	<b>(624)</b>	(551)	<b>(624)</b>	(551)
Share of results of associates and jointly controlled entities	<b>3,042</b>	2,832	<b>453</b>	408	<b>159</b>	475	-	-	-	-	<b>3,654</b>	3,715
Taxation	<b>(403)</b>	(337)	<b>(36)</b>	-	<b>(31)</b>	(49)	-	-	-	(6)	<b>(470)</b>	(392)
Minority interests	-	-	<b>(1)</b>	28	-	-	<b>6</b>	4	-	-	<b>5</b>	32
<b>Profit attributable to shareholders</b>	<b>2,872</b>	2,890	<b>488</b>	202	<b>789</b>	1,008	<b>(12)</b>	(26)	<b>(712)</b>	(751)	<b>3,425</b>	3,323

## 5. TAXATION

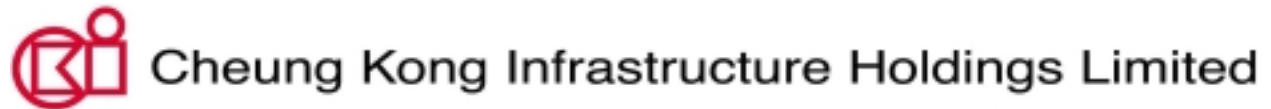
Hong Kong Profits Tax is provided for at the rate of 16 per cent. (2001: 16 per cent.) on the estimated assessable profits for the year.

HK\$ million	2002	2001
<b>Company and subsidiaries</b>		
Current taxation – Hong Kong Profits Tax	12	43
Deferred taxation	-	(4)
	<b>12</b>	<b>39</b>
<b>Share of taxation attributable to</b>		
Associates	422	353
A jointly controlled entity	36	-
	<b>458</b>	<b>353</b>
<b>Total</b>	<b>470</b>	<b>392</b>

## 6. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$3,425 million (2001: HK\$3,323 million) and on 2,254,209,945 shares (2001: 2,254,209,945 shares) in issue during the year.

Diluted earnings per share has not been shown as there was no dilutive effect on the earnings per share if the convertible debentures outstanding during the years ended 31st December, 2002 and 2001 were fully converted into shares of a non-wholly owned subsidiary which issued the debentures.



*(Incorporated in Bermuda with limited liability)*

## **NOTICE OF ANNUAL GENERAL MEETING**

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of the Company will be held at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 15th May, 2003 at 2:20 p.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December, 2002.
2. To declare a final dividend.
3. To elect Directors.
4. To appoint Auditors and authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:



## ORDINARY RESOLUTIONS

- (1) "THAT a general mandate be and is hereby unconditionally given to the Directors to issue and dispose of additional shares not exceeding twenty per cent. of the existing issued share capital of the Company at the date of the Resolution until the next Annual General Meeting."
  
- (2) "THAT:
  - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$1.00 each in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  
  - (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution, and the said approval shall be limited accordingly; and
  
  - (c) for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
    - (i) the conclusion of the next Annual General Meeting of the Company;
    - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
    - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting."

## Cheung Kong Infrastructure Holdings Limited

- (3) "THAT the general mandate granted to the Directors to issue and dispose of additional shares pursuant to Ordinary Resolution No. 5(1) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 5(2) set out in the notice convening this meeting, provided that such amount shall not exceed ten per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the said Resolution."

By Order of the Board

**Eirene Yeung**

Company Secretary

Hong Kong, 13th March, 2003

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. Any such member who is a holder of two or more shares may appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Register of Members will be closed from Thursday, 8th May, 2003 to Thursday, 15th May, 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Branch Registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Wednesday, 7th May, 2003.
3. Concerning Ordinary Resolution No. 5(1) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the members as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").

4. Concerning Ordinary Resolution No. 5(2) above, the Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchase of shares of the Company. The Explanatory Statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, will be set out in a separate letter from the Company to be enclosed with the 2002 Annual Report.