



WHEELOCK AND COMPANY LIMITED

1999/2000 FINAL RESULTS ANNOUNCEMENT

- * Group profit of HK\$723.0 million, and EPS at 35.6 cents (increases of 10 per cent).
- * Final dividend 5.0 cents per share.
- * Wheelock Group's residential landbank - Peak, Kowloon Station Package II and Sham Tseng - to offer substantial sales proceeds next 5 - 6 years.
- * Marco Polo Developments in Singapore reported strong results on the back of Ardmore Park success and the redevelopment of Marco Polo Hotel into another luxury residential complex.
- * Lane Crawford, privatised in July 1999, now well positioned for Greater China opportunities. Substantial profit turnaround as pre-crash levels regained, gross margins increased and operating costs lowered.
- * With the successful turnaround of Lane Crawford, Wheelock proposed to acquire the controlling shareholding in Joyce Boutique. Together with the Group's shareholding in City Super, the Wheelock Group now has a combined quality retail portfolio unmatched in the region.
- * Wharf in best shape for 5 years:
 - * Gateway II: retail fully let; office over 80 per cent; serviced apartments 85 per cent.
 - * i-CABLE dual listing in US and Hong Kong completed to raise HK\$4.1 billion. Pay TV subscriber base grew by 12 per cent to over 450,000 in 1999, now at 480,000 to double EBITDA margin and generate positive free cashflow.
 - * Broadband Internet service launched in March 2000 and already represents one of the fastest rollout and cable modem market penetration in any city in the world.
 - * New T&T, Hong Kong's No. 2 and fastest growing fixed telecom operator, is reporting growth at the compound rate of 100 per cent p.a. for its business fixed lines. Important milestone of 100,000 fixed lines passed at the end of March 2000.
 - * Modern Terminals achieved 9.8 per cent cumulative throughput growth in 1999. Development of CT9 and strategic development in Shekou opportune with China's impending entry into WTO.

Summary of Group Results

Year ended 31 March:

	2000	1999 (Restated)
	HK\$ Million	HK\$ Million
Turnover	4,551.0	7,099.4
Other net income/(losses)	327.6	(92.9)
	4,878.6	7,006.5
Direct costs and operating expenses	(2,546.7)	(4,361.3)
Selling and marketing expenses	(379.7)	(429.1)
Administrative expenses	(233.3)	(258.9)
Provision for impairment in value of properties	(998.8)	(235.2)
Operating profit	720.1	1,722.0
Borrowing costs	(933.5)	(1,107.1)
Share of profits less losses of associates	1,734.6	962.4
Profit before taxation	1,521.2	1,577.3
Taxation (Note 1)	(467.0)	(624.7)
Profit after taxation	1,054.2	952.6
Minority interests	(331.2)	(295.2)
Group profit attributable to shareholders	723.0	657.4
Dividends	(152.3)	(152.2)
Transferred to revenue reserves	570.7	505.2
Earnings per share	35.6 cents	32.4 cents

Notes:

- (1) The provision for Hong Kong profits tax is based on the profit for the year as adjusted for tax purposes at the rate of 16.0% (1999 — 16.0%). Overseas taxation is calculated at rates of tax applicable in countries in which the Group is assessed for tax. The taxation charge is made up as follows:

Year ended 31 March:	2000	1999
	HK\$ Million	HK\$ Million
Company and subsidiaries		
Current taxation		
Hong Kong profits tax	13.0	121.9
Overseas taxation	20.1	3.1
Underprovision in respect of prior years	157.5	155.2
Tax refund in respect of prior year	∅	(24.1)
Deferred taxation	188.8	91.5
	379.4	347.6
Associates		
Current taxation		
Hong Kong profits tax	116.6	265.1
Overseas taxation	11.9	11.4
Tax refund in respect of prior year	(28.5)	∅
Deferred taxation	(12.4)	0.6
	87.6	277.1
	467.0	624.7

- (2) Dividends

Year ended 31 March:	2000	1999
	HK\$ Million	HK\$ Million
Interim Dividend	50.8	50.7
Proposed Final Dividend	101.5	101.5
	152.3	152.2

- (3) The calculation of earnings per share is based on earnings for the financial year of HK\$723.0 million (1999 – HK\$657.4 million) and on the weighted average of 2,030.6 million (1999 – 2,028.4 million) ordinary shares in issue during the year.
- (4) With effect from 1 April 1999, the Group adopted an accounting policy of stating all investments at fair value in order to comply with Statement of Standard Accounting Practice 24 ("SSAP 24") issued by the Hong Kong Society of Accountants. The new accounting policy has been adopted retrospectively. In adjusting prior years' figures, revenue reserves at 1 April 1998 were restated and decreased by HK\$2,407.0 million as a result of the additional provisions for impairment in value of the Group's non-trading securities at 31 March 1998 as considered necessary by the Directors upon the adoption of SSAP 24. In addition, an investment revaluation reserve has been established at 1 April 1998 in an amount of HK\$475.9 million (deficit).

As a result of the adoption of SSAP 24 and restating the prior years' results and reserves, the Group's profit for the year ended 31 March 2000 has increased by HK\$327.3 million (1999 – HK\$55.0 million) on disposal of certain non-trading securities considered to be impaired as referred to above and the Group's net assets at 31 March 2000 have decreased by HK\$1,638.7 million (1999 – HK\$3,104.6 million).

- (5) Certain comparative figures have been reclassified and additional line items have been included on the face of the consolidated profit and loss account due to the adoption of the new requirements under the revised Statement of Standard Accounting Practice 1.

Dividends

An interim dividend in respect of the year ended 31 March 2000 of 2.5 cents (1999 – 2.5 cents) per share was paid in January 2000, absorbing a total amount of HK\$50.8 million (1999 – HK\$50.7 million). The Directors will recommend at the Annual General Meeting to be held on Thursday, 28 September 2000 the payment on 9 October 2000 to Shareholders on record as at 28 September 2000 of a Final Dividend in respect of the year ended 31 March 2000 of 5.0 cents (1999 – 5.0 cents) per share, absorbing a total amount of HK\$101.5 million (1999 – HK\$101.5 million).

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the financial year under review.

Book Closure

The Register of Members of the Company will be closed from 25 to 28 September 2000, both days inclusive, during which period no share transfers can be registered. In order to qualify for the Final Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, not later than 4:00 p.m. on Friday, 22 September 2000.

By Order of the Board
Wilson W. S. Chan
Secretary

Hong Kong, 28 June 2000