

OXFORD PROPERTIES & FINANCE LIMITED

(Incorporated in Hong Kong with limited liability)

The Directors of Oxford Properties and Finance Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st January, 2002 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST JANUARY, 2002

	<i>Notes</i>	2002 HK\$	2001 HK\$ (restated)
Turnover	2	75,552,009	75,213,145
Cost of rental operations		(17,733,587)	(18,475,749)
		57,818,422	56,737,396
Other revenue	3	4,937,377	6,443,999
Administrative expenses		(6,218,803)	(5,543,784)
Impairment loss on land in Guam, U.S.A.		(58,000,000)	–
(Loss) profit from operations		(1,463,004)	57,637,611
Finance costs	5	(8,903,465)	(17,463,755)
Share of results of associates		(119,983)	510,309
(Loss) profit before taxation	2	(10,486,452)	40,684,165
Taxation	6	(5,262,523)	(5,609,019)
(Loss) profit before minority interests		(15,748,975)	35,075,146
Minority interests		4,558,785	(2,694,388)
Net (loss) profit for the year		(11,190,190)	32,380,758
Dividends	7	20,328,000	22,360,800
(Loss) earnings per share		HK cents	HK cents
Basic	8	(16.5)	47.8

Notes:

1. ADOPTION OF NEW/REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted, for the first time, a number of new and revised Statements of Standard Accounting Practice (“SSAP(s)”) issued by the Hong Kong Society of Accountants, inclusive of SSAP 14 (Revised) “Leases”.

In prior years, leasehold land in Guam, U.S.A. included in other properties held by the Group and an associate was carried in the balance sheet date at revalued amounts. SSAP 14 (Revised) "Leases" has clarified that such leases should be classified as operating leases and carried at cost less amount amortised. Adjustments have been made retrospectively to conform with SSAP 14 (Revised). The effect of the adoption of this revised standard to the income statement is to increase the loss of the Group for the year ended 31st January, 2002 by HK\$24,245 and decrease its profit for the year ended 31st January, 2001 by HK\$24,245 which have been dealt with by way of prior year adjustments. Comparative figures have been restated accordingly.

The adoption of the other new and revised SSAPs would not give rise to material impact to the results of the Group for the prior year presented.

Details of the adoption of the new and revised SSAPs are contained in the annual report of the Company to be dispatched to shareholders.

2. SEGMENT INFORMATION

Revenue and Results

For the year ended 31st January, 2002

	Property letting <i>HK\$</i>	Land investment <i>HK\$</i>	Other operations <i>HK\$</i>	Consolidated <i>HK\$</i>
Segment revenue	<u>72,133,284</u>	<u>–</u>	<u>3,418,725</u>	<u>75,552,009</u>
Segment results	<u>55,092,663</u>	<u>(58,000,000)</u>	<u>2,983,921</u>	76,584
Interest and other income				4,679,215
Unallocated corporate expenses				(6,218,803)
Finance costs				(8,903,465)
Share of results of associates	–	(275,653)	155,670	<u>(119,983)</u>
Loss before taxation				<u>(10,486,452)</u>

Revenue and Results

For the year ended 31st January, 2001

	Property letting <i>HK\$</i>	Land investment <i>HK\$</i>	Other operations <i>HK\$</i>	Consolidated <i>HK\$</i>
Segment revenue	<u>71,738,658</u>	<u>–</u>	<u>3,474,487</u>	<u>75,213,145</u>
Segment results	<u>53,959,117</u>	<u>–</u>	<u>2,995,288</u>	56,954,405
Interest and other income				6,226,990
Unallocated corporate expenses				(5,543,784)
Finance costs				(17,463,755)
Share of results of associates	–	(263,919)	774,228	<u>510,309</u>
Profit before taxation				<u>40,684,165</u>

3. OTHER REVENUE

Included in other revenue is interest on bank deposits of HK\$2,517,343 (2001: HK\$5,377,144).

4. DEPRECIATION AND AMORTISATION

Depreciation and amortisation charged to the income statement in respect of the year amounted to HK\$341,393 (2001: HK\$239,209).

5. FINANCE COSTS

	2002	2001
	HK\$	HK\$
Interests on:		
Bank loans and overdrafts	8,876,305	14,494,842
Finance leases	27,160	22,633
Other liabilities wholly repayable within five years	–	2,946,280
	8,903,465	17,463,755

6. TAXATION

	2002	2001
	HK\$	HK\$
The charge comprises:		
Company and subsidiaries		
Hong Kong Profits Tax	4,890,264	5,206,748
Overseas tax	204,000	142,000
Deferred taxation	168,259	154,569
	5,262,523	5,503,317
Associates		
Hong Kong Profits Tax	–	105,702
	5,262,523	5,609,019

Hong Kong Profits Tax is calculated at 16% (2001: 16%) on the estimated assessable profit for the year. Overseas tax is calculated at the rates prevailing in the jurisdictions in which the Group operates.

7. DIVIDENDS

	2002	2001
	HK\$	HK\$
Interim dividend paid:		
10 HK cents (2001: 8 HK cents) per ordinary share	6,776,000	5,420,800
Final dividend proposed:		
20 HK cents (2001: 25 HK cents) per ordinary share	13,552,000	16,940,000
	20,328,000	22,360,800

8. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share is based on the net loss for the year of HK\$11,190,190 (2001: net profit of HK\$32,380,758) and on 67,760,000 (2001: 67,760,000) ordinary shares in issue during the year.

DIVIDENDS

The Board of Directors now recommends the payment of a final dividend of 20 HK cents (2001: 25 HK cents) per share to be paid on 15th August, 2002 to shareholders on the register at 25th June, 2002. Together with the interim dividend of 10 HK cents (2001: 8 HK cents) per share paid in December, 2001, the total dividend for the year amounts to 30 HK cents (2001: 33 HK cents) per share.

REVIEW OF OPERATION

The principal activities of the Group continue to be investment holding, property investment, property development and provision of property agency services.

The leasing market was still very soft and the economic climate has not yet improved; the demand in commercial and residential leasing were slightly improved in the first half year but adversely affected after U.S. "911" calamity in the second half year. The turnover from the Group's long term property portfolio increased by approximately 1 % owing to the increase of occupancy of Jubilee Centre Phase I and Phase II in first half year but adversely affected after U.S. "911" calamity in the second half year.

For the financial year ended 31st January, 2002 the Group reported a net loss after taxation and minority interests of HK\$11 million which is mainly attributable to an impairment loss of HK\$58 million made against the Group's land in Guam U.S.A. Apart from this impairment loss, net of minority interests, the Group still made a net profit for the year of approximately HK\$39 million compared with the net profit of HK\$32 million for the last year. The increase in contribution of HK\$7 million is mainly attributable to the reduction of interest expenses on bank loans and bank overdrafts as well as the increase of occupancy of Jubilee Centre Phase I and Phase II in the first half year.

In Hong Kong, the contribution from the Group's rental income in respect of Jubilee Centre Phase I and Phase II increased moderately while rental from other investment properties in Hong Kong suffered a slight decrease. New leases have to be negotiated either at prevailing low rental or with some rent free period. With the existing leases coming due for renewal, the Group has to offer a slight reduction of rental to keep the existing tenants. In view of the possibility that plot ratio and height restriction may be eased in Kowloon Tong areas in the next two or three years, the Directors have decided to continue to delay the commencement of the Oxford Road, Kowloon Tong project, even though the airport has already moved to Chap Lap Kok, so as to generate most benefit for the shareholders.

The new Statement of Standard Accounting Practice No. 31 "Impairment of Assets" ("SSAP 31") has become effective for the current year which requires recoverable amount of assets be determined based on their market value or value in use. Accordingly, the directors reviewed the recoverable amounts of the land in Guam, U.S.A. by reference to the valuation conducted by an independent property valuer subsequent to the balance sheet date. As a result, in order to conform with SSAP 31, an impairment loss of HK\$58 million against the carrying value of certain land in Guam has been charged to the income statement in respect of the year. On the other hand, other land in Guam has appraised in value, giving rise to a surplus on revaluation of approximately HK\$55 million (before attributable tax effects) which, according to the Group's accounting policies, has not been accounted in the consolidated financial statements of the Group.

The Group's major Guam investment property – Aspac Industrial Park Phase I suffered a slight decline of rental income owing to persisting bad economy in Guam and adversely affected by U.S. "911" calamity. As economic conditions in Guam and Japan are still not favourable, the development of Lot No. 5148-3 and 5148-4, Tamuning, Guam will continue to be postponed.

No material acquisitions or disposals of subsidiaries and associates were transacted during the year.

The Group has a total of 23 (2001: 23) staffs. Staff costs incurred during the year amounted to HK\$5,026,000 (2001: HK\$5,058,000).

FINANCE ACTIVITIES

At 31st January, 2002, total borrowings of the Group were HK\$138 million (2001: HK\$167 million) which bear interest at floating rate and are substantially repayable in Hong Kong dollars. The bank borrowings to the extent of HK\$33 million (2001: HK\$44 million) were repayable within one year. The Group's gearing ratio at 31st January, 2002 is 14.5% (2001: 15.3%). The Group's available undrawn bank facilities at 31st January 2002 amounted to HK\$76 million (2001: HK\$54 million).

At 31st January, 2002, properties of the Group with an aggregate book value of approximately HK\$823 million (2001: HK\$903 million) were mortgaged or charged to banks for credit facilities granted to the Group.

At 31st January, 2002, the Company had issued guarantees for banking facilities granted to certain subsidiaries to secure the banking facilities granted to these subsidiaries to the extent of HK\$281 million (2001: HK\$281 million) of which approximately HK\$138 million (2001: HK\$167 million) was utilized.

PROSPECTS

The Board of Directors expects that the economy of Guam will continue to be adversely affected by the U.S. "911" calamity and under depression. It will last for another one or two years. Moreover, since the economy of Hong Kong is still slow and the leasing market is still soft, the Board of Directors is more conservative about the performance of the coming year. But, the Directors are still confident that the Group will maintain a sound financial foundation and continue its cautious business strategy in identifying investment opportunity in Hong Kong and elsewhere.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CLOSURE OF REGISTRATION

The Register of Members will be closed from Tuesday, 25th June, 2002 to Friday, 5th July, 2002, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Sums Limited, 1601 Wing On Centre, 111 Connaught Road, Central, Hong Kong not later than 4:00 p.m. on Monday, 24th June, 2002.

PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

All the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be published on the Stock Exchange's website in due course.

By Order of the Board
Lee Teh Yee William
Chairman

Hong Kong, 22nd May, 2002

OXFORD PROPERTIES & FINANCE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at Gloucester Room II, 2/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Friday, 5th July, 2002 at 9:30 a.m. for the following purposes:

- (1) To receive and adopt the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st January, 2002.
- (2) To declare a final dividend.
- (3) To re-elect retiring Directors and to fix the Directors' remuneration.
- (4) To re-appoint Auditors for the ensuing year and authorise the Directors to fix their remuneration.
- (5) As special business to consider and, if thought fit, pass with or without amendments, the following resolution as Ordinary Resolution:

Ordinary Resolution

“**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 issued share capital of the Company until the next Annual General Meeting.”

By Order of the Board
Ho Kwok Kuen
Secretary

Hong Kong, 22nd May, 2002

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company. All proxies must be lodged with the Company's registered office at 1601 Wing On Centre, 111 Connaught Road, Central, Hong Kong, not less than 48 hours before the time fixed for the meeting.
2. The Register of Members will be closed from Tuesday, 25th June, 2002 to Friday, 5th July, 2002, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Sums Limited, 1601 Wing On Centre, 111 Connaught Road, Central, Hong Kong not later than 4:00 p.m. on Monday, 24th June, 2002.
3. Concerning Ordinary Resolution in item 5 above, approval is being sought from Members as a general mandate in compliance with Section 57B of the Companies Ordinance and the Listing Rules of The Stock Exchange of Hong Kong Limited.

Please also refer to the published version of this announcement in the Hong Kong iMail.