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HONG KONG FERRY (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 050)

DISCLOSURE PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES

This announcement is made pursuant to Rules 13.13 and 13.16 of the Listing Rules to disclose the details of certain financial assistance to affiliated companies of the Company and certain advances to an entity.

FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

In accordance with Rule 13.16 of the Listing Rules, the details of financial assistance to affiliated companies (within the meaning of the Listing Rules) of the Company as at 19 May 2004 (being the first date on which the disclosure obligation under Rule 13.16 arose in respect of the Company), which in aggregate exceeded 8% of the total market capitalisation of the Company were as follows:-

Name of Affiliated Company	Percentage of equity interest held by The Company	Percentage of equity interest held by Subsidiaries	Advance as at 19 May 2004 HK\$'000
2OK Company Limited	—	50%	205,051
Authian Estates Limited	—	50%	9,343
Celilight Company Limited	33.34%	—	100
		Total:	<u>214,494</u>

Notes:

- (1) These advances were unsecured and without guarantee. There were no committed capital injections to the above affiliated companies.
- (2) These advances were first granted to 2OK Company Limited, Authian Estates Limited and Celilight Company Limited a number of years ago. All these advances have no fixed term of repayment.
- (3) The advances to 2OK Company Limited carried interest at 0.31% above 3-month Hong Kong Inter-Bank Offered Rate. All the other advances were interest-free.
- (4) As at 19 May 2004, no guarantees were given by the Group for facilities granted to the above affiliated companies.
- (5) The total market capitalisation of the Company as at 19 May 2004 amounted to HK\$2,590,111,129. For the above purpose, the total market capitalisation is based on the total number of 356,273,883 shares of the Company in issue on 19 May 2004 and, in accordance with the Listing Rules, is determined using the average closing price of HK\$7.27 per share for the five business days immediately preceding 19 May 2004.
- (6) The total amount of advances to the affiliated companies of the Company provided by the Group represented approximately 8.28% of the total market capitalisation of the Company as at 19 May 2004.
- (7) Where the circumstances giving rise to a disclosure under Rule 13.16 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end, the Company will include the information on the above advances to the affiliated companies in the relevant subsequent interim or annual reports pursuant to Rule 13.22 of the Listing Rules.

ADVANCE TO AN ENTITY

In pursuance of Rule 13.13 of the Listing Rules, the details of advances provided by subsidiaries of the Company to an entity as at 19 May 2004 (being the first date on which the disclosure obligation under Rule 13.13 arose in respect of the Company), which exceeded 8% of the total market capitalisation of the Company were as follows:-

Name of Entity	Note	Advance as at 19 May 2004 HK\$'000
Henderson Land Development Company Limited ("Henderson Land")	(3)	—
Subsidiaries of Henderson Land		
- Easewin Development Limited ("Easewin")	(4)	1,697
- Victory Well Development Limited ("Victory Well")	(4)	1,132
- E Man Construction Company Limited ("E Man")	(5)	52
- Metro Harbour View Management Limited ("MHV")	(6)	10
Affiliated companies of Henderson Land		
- Miramar Hotel and Investment (Express) Limited ("Miramar Express")	(7)	95
- 2OK Company Limited ("2OK")	(8)	205,051
Aggregate of advances to Henderson Land and its subsidiaries and affiliated companies		<u>208,037</u>

Notes:

- (1) The total market capitalisation of the Company as at 19 May 2004 amounted to HK\$2,590,111,129. For the above purpose, the total market capitalisation is based on the total number of 356,273,883 shares of the Company in issue on 19 May 2004 and, in accordance with the Listing Rules, is determined using the average closing price of HK\$7.27 per share for the five business days immediately preceding 19 May 2004.
- (2) All these advances were unsecured and without guarantee. The advances to 2OK carried interest at 0.31% above 3-month Hong Kong Inter-Bank Offered Rate. All the other advances were interest-free.
- (3) As at 19 May 2004, Henderson Land through its subsidiaries beneficially owned approximately 73.48% of the issued share capital of Henderson Investment Limited, a substantial shareholder (as defined in the Listing Rules) of the Company.
- (4) These advances, representing outstanding construction cost of Metro Harbour View due from Easewin and Victory Well, were payable on demand. These advances were made in relation to connected transactions approved in an Extraordinary General Meeting of the Company in December 1999.
- (5) These advances, representing outstanding contract charges due from E Man, were payable on demand. The amount of such advances are below the *de minimus* thresholds under Rule 14A.65 of the Listing Rules.
- (6) These advances, representing outstanding local tour charges due from MHV, were payable on demand. The amount of such advances are below the *de minimus* thresholds under Rule 14A.65 of the Listing Rules.
- (7) These advances, representing outstanding charges for hotel rooms and ship tickets due from Miramar Express, were payable on demand.
- (8) The advances made to 2OK were to provide working capital for provision of mortgage loan to the buyers of residential units at Metro Harbour View owned by the Group. These advances have no fixed term of repayment. A subsidiary of the Company owns 50% of equity interest in 2OK.
- (9) Where the circumstances giving rise to a disclosure under Rule 13.13 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end, the Company will include the information on the above advances to the entity in the relevant subsequent interim or annual reports pursuant to Rule 13.20 of the Listing Rules.

The Company became aware of its disclosure obligations in respect of the above under Rules 13.13 and 13.16 of the Listing Rules on or about 9 July 2004. The Stock Exchange reserved its right to look into the matter in relation to the possible delay in the publication of this announcement.

Save as disclosed herein, no other obligations has arisen under Rules 13.13 to 13.19 of the Listing Rules in respect of the Company up to the date of this announcement.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Company"	Hong Kong Ferry (Holdings) Company Limited, a limited company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
"Group"	The Company and its subsidiaries
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

As at the date of this announcement, the directors of the Company are Mr. Lam Ko Yin, Colin, Mr. Li Ning, Mr. Ho Hau Chong, Norman, Mr. Kan Yuet Loong, Michael, Mr. Lau Yum Chuen, Eddie, Dr. Lee Shau Kee, Mr. Leung Hay Man, Mr. Wong Man Kong, Peter and Dr. Wu Shu Chih, Alex.

By order of the Board
Law Cho Wa, Richard
Company Secretary