



VEEKO INTERNATIONAL HOLDINGS LIMITED

威高國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH, 2003

AUDITED RESULTS

The board of directors (the “Directors”) of Veeko International Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2003 together with the comparative figures for the previous corresponding year, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Turnover	2	427,338	367,842
Cost of sales		(131,848)	(103,229)
Gross profit		295,490	264,613
Selling and distribution costs		(198,629)	(179,793)
Administrative expenses		(64,054)	(70,091)
Other operating income		4,943	4,749
Deficit arising on revaluation of investment properties (Deficit) surplus arising on revaluation of leasehold land and buildings		(2,590) (720)	(690) 434
Profit from operations		34,440	19,222
Finance costs		(660)	(2,816)
Profit before taxation		33,780	16,406
Taxation	3	2,830	1,145
Profit attributable to shareholders		30,950	15,261
Dividends		8,777	6,127
Earnings per share – basic	4	HK1.87 cent	HK0.92 cent

Notes:

1. Adoption of Statements of Standard Accounting Practice/Changes in accounting policies

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. The adoption of the following SSAPs has resulted in a change in the format of presentation of the cash flow statement and an inclusion of the statement of changes in equity, but has had no material effect on the results for the prior accounting periods. Accordingly, no prior period adjustment has been required.

SSAP 1 (Revised)	:	Presentation of financial statements
SSAP 11 (Revised)	:	Foreign currency translation
SSAP 15 (Revised)	:	Cash flow statements
SSAP 34	:	Employee benefits

2. Turnover and segments information

In accordance with the Group's internal financial reporting, the Group has determined that geographical segments by market are its primary reporting format.

Geographical segments

The Group reports its primary segment information by geographical location of its customers who are principally located in Hong Kong, Macau, Taiwan and Singapore. Segment information about these geographical markets is presented below:

	Hong Kong and Macau		Taiwan		Singapore		Others		Eliminations		Consolidated	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
TURNOVER												
Sales of goods	263,993	241,944	108,611	90,403	30,935	21,926	23,799	13,569	-	-	427,338	367,842
Inter-segment sales	9,089	8,850	-	-	-	-	-	-	(9,089)	(8,850)	-	-
	<u>273,082</u>	<u>250,794</u>	<u>108,611</u>	<u>90,403</u>	<u>30,935</u>	<u>21,926</u>	<u>23,799</u>	<u>13,569</u>	<u>(9,089)</u>	<u>(8,850)</u>	<u>427,338</u>	<u>367,842</u>
Inter-segment sales are charged at prevailing market rates.												
SEGMENT RESULT	<u>27,437</u>	<u>16,257</u>	<u>9,916</u>	<u>3,670</u>	<u>(1,736)</u>	<u>(2,849)</u>	<u>3,438</u>	<u>2,407</u>			<u>39,055</u>	<u>19,485</u>
Unallocated corporate income											3,750	3,257
Unallocated corporate expenses											(8,365)	(3,520)
Profit from operations											34,440	19,222
Finance costs											(660)	(2,816)
Profit before taxation											33,780	16,406
Taxation											2,830	1,145
Profit attributable to shareholders											<u>30,950</u>	<u>15,261</u>

3. Taxation

	2003 HK\$'000	2002 HK\$'000
The charge comprises:		
Hong Kong Profits Tax		
Current year	999	1,112
Under(over) provision in previous years	14	(92)
	<u>1,013</u>	<u>1,020</u>
Overseas taxation	<u>1,817</u>	<u>125</u>
	<u>2,830</u>	<u>1,145</u>

Hong Kong Profits Tax is calculated at 16% on the estimated assessable profit for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

4. Earnings per share

The calculation of the basic earnings per share is based on the profit attributable to shareholders of HK\$30,950,000 (2002: HK\$15,261,000) and on 1,656,000,000 (2002: 1,656,000,000) shares in issue during the year.

The Company had no potential dilutive ordinary shares for the years ended 31st March, 2003 and 2002.

DIVIDEND

The Board of Directors is pleased to resolve that a final dividend of HK0.57 cent per share be proposed at the forthcoming annual general meeting (2002: HK0.3 cent). The said dividend will be paid to shareholders whose names appear in the register of members of the Company as at 17th September, 2003. Together with the paid interim dividend of HK0.23 cent (2002: nil), the total dividend for the year will be HK0.8 cent (2002: HK0.3 cent) per share.

BUSINESS REVIEW & PROSPECTS

Operating Results & Financial Overview

As at 31st March, 2003, the Group recorded a turnover of approximately HK\$427,338,000 (2002: HK\$367,842,000), representing an increase of 16.2% over the corresponding period of the previous year. Profit attributable to shareholders for the same period of this year was approximately HK\$30,950,000 (2002: HK\$15,261,000), representing a substantial increase of 102.8% over the corresponding period of the previous year.

Business Overview

The above results were satisfactory considering that during the period under review, the business environment in Hong Kong remained difficult, and there were continuing deflation and a depressed retail market. The Group achieved a significant profit increase of 102.8% mainly through a substantial enhancement of economic benefit which was in turn attained through the Group's flexible operating strategies, stringent cost control and effective inventory management. The flexible economic strategies used by the Group include: improving product designs and using high-quality fabrics to match with more trendy design, while offering products of great value to stimulate the buying desire; flexible promotion activities in a sluggish retail market, proactive marketing strategy to increase turnover, and sincere invitations to celebrities to be the ambassadors for the Group's "Wanko" and "Veeko" brands, so as to add prominence to their distinct images and clear-cut positioning. Such strategies are well-received by the customers. In addition to our regular customers, we have also received high recognition from new customers, and we recorded an increase of 16.2% in turnover as compared with the previous corresponding period. Besides, the Group also put effort on cost control, although our selling and distribution costs increased with the number of outlets, administrative expenses and finance cost decreased by 8.6% and 76.6% respectively when compared with the previous corresponding period. Furthermore, the Group also improved its inventory control proactively. Through a series of campaigns, the Group achieved a substantial reduction of its inventory. Although the Group's gross profit margin decreased slightly from 71.9% to 69.1% as a result, the inventory reduction is beneficial to the long-term development of the Group. As at 31st March, 2003, the inventory of the Group fell from HK\$62,858,000 of the corresponding period of the previous year to HK\$44,895,000, and the inventory turnover on sales fell from 62 days last year to 38 days for this year, representing an obvious inventory improvement and a strengthened cash position of the Group, both of which are significantly advantageous to the Group's overall business operation.

Hong Kong and Macau Market

During the year, mainly thanks to the effective strategic measures adopted by the management to sharpen the Group's competitiveness, the Group made satisfactory performance in its retail business in Hong Kong and Macau, achieving business growth in the sluggish retail market. Besides, as part of an effort to increase the overall efficiency of the Group's outlets, the Group closed 7 outlets of tiny profitability during the year, while looking for shop premises located at premium locations and available at low rentals for opening new outlets. The total turnover of the Group in the Hong Kong and Macau markets increased by 9.1% over the corresponding period of the previous year to reach HK\$263,993,000. As at 31st March, 2003, the Group was running a total of 62 outlets in Hong Kong and Macau (2002: 62 outlets).

Taiwan Market

During the year, the Group recorded a turnover of HK\$108,611,000 in Taiwan, representing an increase of 20.1%. As at 31st March, 2003, the Group's outlets in Taiwan increased from 41 of the same period last year to 50. During the year, sales in Taiwan accounted for 25.4% of the Group's total turnover. With an increased turnover and a stringent cost control approach, there was a significant improvement in the Group's business in Taiwan over last year. According to the Group's assessment of its current trend of business development in Taiwan, there is room for the Group to develop its business there. The Group will continue to make steady progress in developing its business in Taiwan.

Singapore Market

During the year, the Group recorded a turnover of HK\$30,935,000 in Singapore, representing a 41.1% increase over the corresponding period of the previous year. As at 31st March, 2003, the Group had gradually increased the number of outlets in Singapore to 13, compared with 8 outlets in last year. The existing number of outlets can be more effectively spread the fixed cost in terms of administrative expenses, so as to achieve better economies of scale, and the segment result shows the loss incurred by the Singapore operation as at 31st March, 2003 fell from HK\$2,849,000 of the previous year to HK\$1,736,000. Considering the lingering depression of the Singaporean economy, the Group will maintain its existing number of outlets in Singapore and adopt a prudent approach in future business development in the country.

Other Markets

Besides the markets in Hong Kong, Macau, Taiwan, Singapore, the Group also endeavours to expand its business into markets with good potential, in particular the China market. As at 31st March, 2003, there were 30 franchise outlets in China offering brand products of the Group. These outlets are well located in major cities such as Shenzhen, Guangzhou, Shanghai, Beijing, Wuhan, Chengdu and Chongqing.

Prospects

In retrospective, the retail market remained sluggish in the year 2002/2003. Nevertheless, by adopting various strategic measures, the Group's result shows a drastic improvement over the previous year, demonstrating the benefit brought forth by those market strategies adopted. Looking ahead to the coming year, the Group will continue to carry out its strategic business plans in its major markets, including the adoption and constant reviews of prudent measures in cost control so as to ensure that costs will be maintained at a reasonable level. Regarding training and development of staff, in order to enhance the overall quality of services rendered by them, the Group will continue its emphasis on staff training. The Group aims to make sure that it has a well-trained team to provide excellent services to its customers and sustained support to its brands.

Regarding business development, the Group will maintain the number of outlets in Hong Kong and Macau markets at the prevailing level. The Group will continue to negotiate with the relevant landlords for lower rentals. For strategic reasons, the Group will close some outlets with expiring lease and with low profitability, and will continue opening new outlets at premium locations available at low rentals. This strategy will help increase the Group's turnover and profitability. The Group's business in Taiwan has shown good performance, and the Group will continue to develop its Taiwan business steadily. The Group also plans to increase the number of outlets in Taiwan by about 10 up to late March 2004. Meanwhile, the Group's business in Singapore was still below our expectations. In future, the Group will focus on cost reduction which includes negotiation with certain landlords for rental reduction. The Group will also review its business in Singapore from time to time with a view to making adjustment as appropriate.

Looking into the year 2003/2004, business in the first quarter has suffered an inevitable blow inflicted by the Serious Acute Respiratory Syndrome. The gap between the turnovers of the current year with that of the previous year will narrow with an improving epidemic situation. Meanwhile, considering the economic growth of the mainland China market, the management will adopt a more positive approach and inject more resources for penetrating into the China market in the coming year. The Group will accelerate its mainland China business development by positioning itself prominently, meeting the demands of customers of different localities and providing quality services to them effectively, so as to achieve the establishment of a nationwide sales network through a strengthening of the existing foundation.

The Group relies on an experienced and dedicated management team who adopt a prudent approach in business operation. In the face of a continuing economic downturn, the management will continue to put in persistent efforts to achieve good results in an adverse environment and to create greater return for shareholders.

Liquidity & borrowings

The Group's working capital increased from HK\$83,952,000 as at 31st March, 2002 to HK\$114,852,000 for the year while its current ratio and quick ratio were maintained at a healthy level of 5.33 and 3.64 times respectively.

The Group's inventory turnover on sales improved from 62 days for the year ended 31st March, 2002, to 38 days in the year under review. The adjustment of 24 days in inventory turnover period were mainly due to substantial decline in inventories from HK\$62,858,000 as of 31st March, 2002, to HK\$44,895,000 as of 31st March, 2003. The sharp reduction in inventories was largely attributed to the Group's strategic clearing inventories measures.

As at the balance sheet date, the Group's cash and bank balances amounted to HK\$43,210,000 (2002: HK\$33,409,000) and there was no outstanding bank borrowings and overdraft (2002: HK\$41,538,000) whereas the total borrowings was HK\$684,000 (2002: HK\$42,568,000).

As at the balance sheet date, the gearing ratio of the Group is 0.0037 (2002: 0.26) which is calculated based on the Group's total borrowings of HK\$684,000 (2002: HK\$42,568,000) and the shareholders' fund of HK\$184,282,000 (2002: HK\$162,818,000).

As at 31st March, 2003, the Group had banking facilities amounting to HK\$60,549,000 (2002: HK\$69,845,000), of which approximately HK\$3,460,000 representing bank guarantees (2002: HK\$34,870,000 representing bank borrowings and guarantees) was utilised by the Group. The management believes that existing financial resources will be sufficient to meet future expansion plans and, if necessary, the Group will be able to obtain additional financing on favorable terms.

Contingent liabilities

At 31st March, 2003, the Company had guarantees of approximately HK\$84,390,000 (2002: HK\$89,849,000) to certain banks in respect of banking facilities granted to certain subsidiaries of the Company. The amount utilised by the subsidiaries was approximately HK\$922,000 representing bank guarantees (2002: HK\$34,870,000 representing bank borrowings and guarantees) as at 31st March, 2003.

Staff & remuneration policies

As at the balance sheet, the Group had approximately 2,900 employees. The Group mainly determines staff remuneration (including insurance and medical benefits) in accordance with the industry's practices. Subject to the performance of the annual results, the Group has also adopted a set of incentive plans for its employees.

SHARE OPTION SCHEME

Resolutions will be proposed to the shareholders of the Company at the forthcoming annual general meeting for (1) the termination of the existing share option scheme and (2) the adoption of a new share option scheme.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 11th September, 2003 to Wednesday, 17th September, 2003, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Secretaries Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 10th September, 2003.

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.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2003 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing The Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The audit committee has reviewed the financial results for the year ended 31st March, 2003.

PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

All the financial and other related information of the Company required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt thanks to all the employees for their devotion, contribution and diligence and my deepest gratitude to all the shareholders, customers, suppliers and business partners for their continuous support. I sincerely hope that all of you will continue to contribute to the success of the Group.

By Order of the Board
Cheng Chung Man, Johnny
Chairman and Managing Director

Hong Kong, 21st July, 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of VEEKO INTERNATIONAL HOLDINGS LIMITED (the “Company”) will be held at 10:30 a.m. on 17th September, 2003 at 10th Floor, Wyler Centre Phase 2 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong for the following purposes:

AS ORDINARY BUSINESS

1. to receive and consider the audited financial statements and the reports of the directors of the Company and the Company’s auditors for the year ended 31st March, 2003;
2. to approve the declaration of a final dividend of HK0.57 cent per share of HK\$0.01 each in the Company for the year ended 31st March, 2003;
3. to re-elect the retiring directors and to authorise the board of directors to fix the remuneration of directors;
4. to re-appoint the Company’s auditors and to authorise the board of directors to fix their remuneration;

AS SPECIAL BUSINESS

and to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

5. **“THAT** with effect from the close of business of the day on which this resolution is passed, the existing share option scheme (the “Existing Scheme”) adopted by the Company pursuant to an ordinary resolution in writing passed by all shareholders of the Company on 23rd March, 1999 (a copy of the Existing Scheme having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) be and it is hereby terminated and cease to have with any further effect save and except that the Existing Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to termination thereof.”
6. **“THAT** subject to the passing of resolution numbered 5 and subject also to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the option which may be granted under the rules of the new share option scheme (“New Scheme”), a draft of which is produced to the meeting marked “B” and signed by the chairman of the meeting for the purposes of identification, representing an amount (“General Scheme Limit”) up to 10 per cent. of the issued shares of the Company as at the day on which this resolution is passed, with effect from the close of business of the day on which this resolution is passed, the rules of the New Scheme be approved and adopted and the directors of the Company be and they are hereby authorised: (a) to approve any amendments to the rules of the New Scheme as may be acceptable or not objected to by the Stock Exchange; (b) at their absolute discretion to grant options to subscribe for shares of the Company in accordance with the rules of the New Scheme; (c) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the New Scheme provided that the aggregate nominal amount of shares which fall to be allotted and issued pursuant to this authority, together with any issue of shares of the Company upon the exercise of any options granted under any other share option scheme as may from time to time adopted by the Company or its subsidiaries, shall not exceed the General Scheme Limit; and (d) to take all such steps as may be necessary, desirable or expedient to carry into effect the New Scheme.”
7. **“THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “Share”) of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any

warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:

- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 the articles of association of the Company or the applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

8. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase shares (each, a “Share”) of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of 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 the articles of association of the Company or the applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

9. “**THAT** conditional on the passing of resolutions numbered 7 and 8 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 8 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 8 above.”

By Order of the Board
Wong Chi Ying
Company Secretary

Hong Kong, 21st July, 2003

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
3. The register of members will be closed from 11th September, 2003 to 17th September, 2003 (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 certificate must be lodged with the Company's Hong Kong branch share registrar, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 pm on 10th September, 2003 for registration.
4. In relation to proposed resolution numbered 3 above, Mr. Cheng Chung Hoo will retire from office of director at the above meeting pursuant to the Company's articles of association and, being eligible, offer himself for re-election.
5. In relation to proposed resolutions numbered 7 and 9 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
6. In relation to proposed resolution numbered 8 above, the directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules will be set out in a separate document to be despatched to the shareholders.

Please also refer to the published version of this announcement in The Standard.