



ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2002

FINANCIAL SUMMARY

The Board of Directors (the “Board”) of Artfield Group Limited (the “Company”) would like to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2002 as follows:–

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	<i>Notes</i>	2002 HK\$'000	2001 HK\$'000
TURNOVER	<i>1</i>	272,556	284,222
Cost of sales		(214,513)	(219,891)
Gross profit		58,043	64,331
Other income		2,221	3,925
Administrative expenses		(48,355)	(50,081)
Selling and distribution costs		(11,769)	(10,484)
Other operating expenses		(1,770)	(742)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	<i>2</i>	(1,630)	6,949
Finance costs	<i>3</i>	(1,961)	(1,857)
Share of profit/(loss) of a jointly-controlled entity		(485)	140
PROFIT/(LOSS) BEFORE TAX		(4,076)	5,232
Tax	<i>4</i>	1,915	96
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		(2,161)	5,328
Minority interests		(645)	(998)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		(2,806)	4,330
EARNINGS/(LOSS) PER SHARE	<i>5</i>		
Basic		HK(1.16) cents	HK1.78 cents
Diluted		N/A	HK1.73 cents

Notes:

1. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and income from the provision of electroplating services. An analysis of the Group's turnover and results information by business and geographical segments for the year ended 31 March 2002 is as follows:-

(a) Business segments

	Clocks and other office related products		Lighting products		Trading		Electroplating services		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Sales to external customers	<u>140,057</u>	162,609	<u>10,605</u>	4,805	<u>108,061</u>	104,482	<u>13,833</u>	12,326	<u>272,556</u>	284,222
Segment results	<u>4,073</u>	9,346	<u>577</u>	(517)	<u>2,459</u>	4,383	<u>2,515</u>	4,633	<u>9,624</u>	17,845
Interest and dividend income									327	919
Net unallocated expenses									<u>(11,581)</u>	<u>(11,815)</u>
Profit/(loss) from operating activities									<u>(1,630)</u>	6,949
Finance costs									<u>(1,961)</u>	(1,857)
Share of profit/(loss) of a jointly- controlled entity	(485)	140	-	-	-	-	-	-	<u>(485)</u>	140
Profit/(loss) before tax									<u>(4,076)</u>	5,232
Tax									<u>1,915</u>	96
Profit/(loss) before minority interests									<u>(2,161)</u>	5,328
Minority interests									<u>(645)</u>	(998)
Net profit/(loss) from ordinary activities attributable to shareholders									<u>(2,806)</u>	<u>4,330</u>

(b) *Geographical segments*

	North America		Europe		Hong Kong		Elsewhere in the PRC		Others		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:												
Sales to external customers	<u>76,739</u>	<u>95,244</u>	<u>52,863</u>	<u>43,653</u>	<u>22,461</u>	<u>30,990</u>	<u>113,652</u>	<u>106,137</u>	<u>6,841</u>	<u>8,198</u>	<u>272,556</u>	<u>284,222</u>
Segment results	<u>1,438</u>	<u>6,618</u>	<u>289</u>	<u>2,257</u>	<u>3,782</u>	<u>4,769</u>	<u>4,319</u>	<u>4,322</u>	<u>(204)</u>	<u>(121)</u>	<u>9,624</u>	<u>17,845</u>

2. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit/(loss) from operating activities is arrived at after charging/(crediting):

	2002 HK\$'000	2001 HK\$'000
Cost of inventories sold	211,176	215,292
Cost of services provided	7,270	6,155
Depreciation	10,015	11,848
Amortisation of patents and trademarks	99	198
Minimum lease payments under operating leases for land and buildings	1,425	497
Exchange losses, net	633	346
Provision for impairment in value of fixed assets	1,099	–
Deficit on revaluation of fixed assets	600	400
Loss/(gain) on disposal of fixed assets	(29)	136
Write-back of provision for inventories	(3,933)	(1,556)
Write-back of provision for interest in a jointly-controlled entity	–	(1,040)
Gain on disposal of interest in a jointly-controlled entity	–	(942)
Gain on disposal of investments held for disposal	(709)	–
Dividend income from unlisted investments in jointly-controlled entities	–	(424)
Dividend income from investments held for disposal	(106)	–
Gross rental income	(1,238)	(1,024)
Less: Outgoings	<u>82</u>	<u>–</u>
Net rental income	<u>(1,156)</u>	<u>(1,024)</u>
Interest income	<u>(221)</u>	<u>(495)</u>

3. FINANCE COSTS

	2002 HK\$'000	2001 HK\$'000
Interest expense on:		
Bank loans and overdrafts wholly repayable within five years	1,796	1,731
Bank loans repayable beyond five years	100	–
Finance leases	<u>65</u>	<u>126</u>
	<u>1,961</u>	<u>1,857</u>

4. TAX

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the year.

At 31 March 2002, three (2001: five) subsidiaries, which were established in the People's Republic of China (the "PRC"), were exempted from PRC income tax for two years from their first profit-making year and were eligible for a 50% relief from PRC corporate income tax ("CIT") for the following three years under the Income Tax Law of the PRC. The current tax rates that would otherwise be applicable to these subsidiaries range from 15% to 24%.

Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the subsidiaries operated during the year based on existing legislation, interpretations and practices in respect thereof.

	2002	2001
	HK\$'000	HK\$'000
Hong Kong:		
Current year provision	(260)	(1,146)
Overprovision in prior years	249	254
Deferred	1,771	–
	1,760	(892)
Elsewhere:		
Current year provision	(185)	(451)
Overprovision in prior years	188	–
Rebate relating to prior years	152	1,439
	155	988
Tax credit for the year	1,915	96

5. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the net loss from ordinary activities attributable to shareholders for the year of HK\$2,806,000 (2001: net profit of HK\$4,330,000) and the weighted average number of 242,807,500 (2001: 242,807,500) ordinary shares in issue during the year.

No diluted loss per share is shown for the year ended 31 March 2002 as the effect of the Company's share options outstanding during the year was anti-dilutive. In addition, the exercise price of the warrants granted and outstanding during the year, was higher than the average market price of the Company's shares and, accordingly, there is no dilutive effect on the basic loss per share.

The calculation of diluted earnings per share for the year ended 31 March 2001 was based on the net profit from ordinary activities attributable to shareholders for that year of HK\$4,330,000. The weighted average number of ordinary shares used in the calculation was the 242,807,500 ordinary shares in issue during the year ended 31 March 2001, as used in the basic earnings per share calculation, and the weighted average number of 6,995,714 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all options outstanding during the year ended 31 March 2001.

DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 March 2002 (2001: Nil).

RESULTS

For the year ended 31 March 2002, the performance of the Group was affected by the continuous sluggish economy and the September 11 terrorist attack in the United States (the “US”), thus the turnover was recorded approximately HK\$272,556,000, representing a decrease of 4.1% compared with last year. The net loss from ordinary activities attributable to shareholders amounted to HK\$2,806,000 (2001: net profit of HK\$4,330,000).

BUSINESS REVIEW AND PROSPECT

Clocks and Other Office Related Products

Influenced by the wave of global economic recession and uncertainties, most overseas customers with the “wait and see” attitude became conservative in placing their orders which in turn triggered off weak export demands of clocks.

Due to this harsh environment, the performance of manufacturing and marketing of clocks, being the core business segment of the Group, was not immune from sluggish market conditions and suffered setbacks, accounting for approximately 13.9% drop in turnover from previous year. Geographically, owing to unfavorable market conditions in the US, sales to North America decreased by 22.7%. In order to minimize the adverse conditions in the US market, the Management has implemented flexible marketing programs and reinforced the sales efforts in other countries, leading to satisfactory results in Europe. Moreover, through the acquisition of the business of a previously well-known, UK-based clock company, Kundo Staiger UK Limited by the Group in May 2001, turnover of clocks and other office related segment to the Europe’s market recorded growth of 8.8%.

In spite of the difficult year that the Group has just overcome, the Group will continue to place strong emphasis on product research and development so as to develop more non-conventional timepiece designs and functions. In addition, the Management will further strengthen its intelligence on market development and product positioning in order to quickly respond to the ever-changing market movements and provide value-to-money products to completely fulfill customers’ needs in different countries.

Apart from upgrading our product offerings, the Group persists in stringent cost control to minimize unnecessary expenses and maintain its competitiveness in the long run.

Lighting Products

The Group’s lighting product segment, Precision Group Limited, achieved a favourable result, with its turnover increased remarkably by 120.7% compared with last year. The results of the lighting segment amounted to HK\$577,000 (2001: loss of HK\$517,000). Leveraging our solid experiences in the industry with advance in technical professionalism, our market shares sustained a steady growth.

The Group will continue to invest in advanced machinery and equipment to enhance the product quality and operational efficiency. The Management will also reinforce its sales and marketing efforts in strengthening the sales network in overseas markets and the PRC market. For instance, in order to extend the market coverage into the PRC, the Management plans to set up our own booths in malls of major cities such as Beijing, Shanghai and Guangzhou to promote our famous brand “Memolux”. In view of this, the Management believes that the lighting business sector will have a promising future and will bring better returns to the Group.

Electroplating Services

Despite stiff price competition in the market, the turnover of Ultra Good Electroplating Limited (“Ultra Good”), our 79.75% owned subsidiary, increased by approximately 12.2% to HK\$13,833,000. The expertise in materials planning and effective production management enables Ultra Good to achieve satisfactory results in efficiency and cost reduction. Recently, Ultra Good has added the third electroplating production line, which will increase its capacity to gain the advantages of economies of scale. The Group is also dedicated to creating a reputation with its customers that Ultra Good is a provider of high-quality products and services at a competitive price.

Trading

In the stagnant economic environment, the market demands of the commodities such as steel, aluminium ingot, wood and textile chemicals were generally weak. Nevertheless, the turnover of trading business of the Group recorded a slight increase of 3.4% over the last year. The Management is confident that the rapid development of the PRC will definitely offer plenty of opportunities and increase demands of trading commodities in the year ahead.

PROSPECT

In view of overall economy perspective, it was no doubt that year 2001 was tough and challenging. The tragic event of September 11 has accelerated the pace of recession. Nevertheless, according to the recent US economist statistics, there were signs of recovery in the US and everyone hopes that the global economy will rebound in the second half of this year.

As one of the leading key players in clock industry, the Group keeps eyes on strengthening the product and marketing developments by sharing the synergies of our solid foundations in the clock business and extensive sales network. For evaluating the diversity of customers’ tastes in different geographical segments, the Management will strengthen the communication linkages between in-house designers, marketing professionals and our sales teams in overseas subsidiaries by quarterly meetings and periodical customer contacts. This can provide a platform to differentiate our branded and OEM products, as well as to create a distinguished perception of our products from other competitors and formulate effective marketing programs.

With regard to the consolidation of the Group’s one of the largest business division, the manufacturing of lighting products, the Management considers to establish a new production plant in the PRC this year. This proposal not only assists to increase the production capabilities of light tube and finished lighting products but also to expand the existing production scale to enhance the long-term vertical integration strategy adopted by the Group. The Management believes that this plan will enhance economies of scale and increase its competitive advantages.

On the other hand, for the business of electroplating services, the Group believes that it still has a good potential for growth. In order to increase the operation efficiency and return on investments, the Management is now reviewing the feasibility of investing in additional electroplating production lines apart from the existing 3 lines to meet the growing market demands.

For wood production development, the wood factory of the Group in Gao Ming City, the PRC has been fully operated for about 2 years. Together with the valuable experiences in mastering wood craft skills and technology, the Management plans to equip more advanced production machinery and wood cutting facilities. The main purposes are to broaden product varieties and produce multi-purposed wood products, such as wooden household products, wooden stationery set and wooden medal to suit the diversified market requirements.

Furthermore, the Group has understood that developing comprehensive sales network is essential to reach our target customers. The Management will penetrate the market boundaries by increasing cooperation with retailers, sales agents and OEM customers around different regions to promote our innovative products and expand the popularity of our medium and high branded products such as “Artex” and “Wehrle” clocks. Taking the PRC market as an example, the Group will extend its sales network covering some major regional centers like Beijing, Shanghai and Guangzhou City.

With the PRC’s accession to the World Trade Organisation, the huge market potential and robust economic growth of the PRC will certainly stimulate our growth. Therefore it is the Group’s major marketing policy to expand its market share in the PRC. With the Management’s abundant experiences in establishing our solid foundation in the PRC market for several years, in addition to our experienced marketing team in the PRC, the turnover of the PRC market is promising, which accounted for 41.7% of the Group total sales during the year under review. The Management will endeavour to strengthen the marketing and promotion strategies and expand its sales network in the PRC market. It is expected that the booming market opportunities will bring positive contributions to the Group.

Apart from the above development plans, the Group will continue to enhance management quality and monitor the internal control system by exercising stringent cost containment measures, upgrading quality standard and improving the overall efficiency of the operation. To minimize the costs of operation, the relocation of the major manufacturing operations in Germany to the PRC is completed. A new plant was set up in Shenzhen and has begun initial production. It is expected that the advanced production technique will assist the quality assurance of products and cost efficiency.

Looking ahead, the Management is prudently optimistic towards the future prospect. With the aims to capture more market share and more profits in the industry, the Group will continuously evaluate its business portfolios and performances of the existing business operations. The Management expects the study will facilitate the Group to effectively reallocate resources into more profitable business and phase out the less attractive one to sharpen its competitive edges.

The Management will cautiously consider any opportunity to strategically diversify the businesses in the way of acquiring other profitable business or investing in new projects with good potential returns. Referring to the recent government policy of Hong Kong Special Administrative Region (the “HKSAR”), the chief executive strongly emphasizes on developing Hong Kong as a preferred international and regional logistics hub and a supply-chain base. Leveraging our extensive trading and distributions network in the PRC, the Group will consider the opportunity to develop the logistics and distribution business between Hong Kong and the PRC. The potential growth of logistics business is expected to be significant. In overall, the Group will endeavour to achieve its corporate objectives of maximizing the Group’s profitability and delivering enhanced value to shareholders and services to customers in the year ahead.

EMPLOYEES

As at 31 March 2002, the Group had 1,847 (2001: 2,039) employees spreading among Hong Kong, the PRC, the US, Germany and the United Kingdom. Industrial relationship has been well maintained.

The Group has adopted an extensive training policy for its employees. It has also sponsored senior executives for higher education programs.

The Group has adopted a share option scheme whereby certain employees of the Group may be granted options to acquire shares of the Company.

LIQUIDITY & FINANCIAL RESOURCES

As at 31 March 2002, the Group had total outstanding debts and finance lease obligations of HK\$37,482,000 (2001: HK\$24,528,000), of which HK\$34,503,000 (2001: HK\$21,680,000) was secured bank loans, HK\$2,335,000 (2001: HK\$1,532,000) was secured overdrafts, and HK\$644,000 (2001: HK\$1,316,000) was obligation under finance leases. The amount repayable within one year accounted for 75.6% (2001: 96.9%) of the total borrowings as at 31 March 2002. Our gearing ratio was at a healthy level of 4.6% (2001: 0.4%). The computation is based on long term borrowings of the Group divided by shareholder's fund as at 31 March 2002.

The Group's sound financial position will provide us with good financial capacity to either expand our existing operation or diversify into other strategic growth business.

CHARGES ON GROUP'S ASSETS

The Group's investment properties with a value of HK\$8,000,000 (2001: HK\$8,600,000), bank deposits of HK\$2,540,000 (2001: HK\$5,400,000) and certain of the Group's leasehold land and buildings, and plant and machinery were pledged to secure general banking facilities granted to the Group.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group is minimal so long as the HKSAR Government's policy to link the Hong Kong dollars to the US dollars remains in effect.

Since the Group's principal manufacturing operations are in the PRC and most of the operating expenses are denominated in Renminbi, the Management is aware of possible exchange rate exposure. As a hedging strategy, the Management emphasizes on using Renminbi borrowings to finance the Group's PRC operation and capital expenditure.

TREASURY POLICIES

The Group generally finances its operation with generated resources and banking and credit facilities provided by banks in Hong Kong and the PRC. All borrowings are denominated in Hong Kong dollars, the US dollars and RMB. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts facilities and bank loans. The interest rates of most of these are fixed by reference to the Hong Kong Dollar Prime Rate or foreign currency's Trade Finance Rates.

CONTINGENT LIABILITIES

As at 31 March 2002, the Group did not have contingent liabilities except for bills discounted to banks with recourse amounting to approximately HK\$517,000 (2001: HK\$76,000).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

THE CODE OF BEST PRACTICE

All of the recommendations and guidelines of the Code of Best Practice (the "Code") issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") have been complied with by the Company, except that independent non-executive directors are not appointed for specific terms as required by paragraph 7 of the Code as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules"). According to the bye-laws of the Company, one-third of the directors of the Company will retire by rotation every year and their appointments will be reviewed when they are due for re-election which, in the opinion of the directors, meets the same objective.

AUDIT COMMITTEE

An Audit Committee (the "Committee") has been established since 1999. The Committee meets regularly with senior management to review the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters. The members of the Committee are Mr. LO Ming Chi, Charles and Mr. CHEUNG Doi Shu, both of whom are the independent non-executive directors of the Company.

PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's annual report containing all the information 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 in due course.

APPRECIATION

Together with all my fellow Directors, I sincerely thank all of our staff for their loyalty, commitment and hard work, and our customers, suppliers and shareholders for their continuing support.

By Order of the Board

LIANG Jin You

Chairman

Hong Kong, 23 July 2002

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Artfield Group Limited (the “Company”) will be held at Conference Room, 13th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong on 30 August 2002 at 10:30 a.m. for the following purposes:–

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 31 March 2002.
2. To re-elect directors and to authorize the board of directors to fix their remuneration.
3. To re-appoint auditors and to authorize the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:–

A. **“THAT:–**

- (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional share(s) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements, options (including warrants) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements, options (including warrants) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted by the Company and/or its subsidiaries for the grant or issue of shares or rights to acquire shares in the capital of the Company, or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

(d) 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; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable laws to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution; and

“Rights Issue” means an offer of shares or issue of options to subscribe for shares open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such 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 law of, or the requirements of any recognized regulatory body or any stock exchange, in any territory applicable to the Company).”

B. **“THAT:–**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own securities of the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal value of securities of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this resolution or 10% of the aggregate outstanding value of warrants of the Company at the date of passing this resolution respectively, 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 passing of this resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company; or

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution.”

C. “**THAT** conditional upon resolution nos. 4A and 4B as set out in the notice convening this meeting being passed, the general mandate to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to resolution no.4A as set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no.4B as set out in the notice convening this meeting, provided that such extended value shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this resolution.”

By Order of the Board
CHAN TAK WING
Company Secretary

Hong Kong, 23 July 2002

Principal Office:
13th Floor
Universal Industrial Centre
19-21 Shan Mei Street
Fo Tan, Shatin
New Territories
Hong Kong

Notes:-

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s principal office in Hong Kong, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) The Register of Members of the Company will be closed from 23 August 2002 to 30 August 2002, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrars, Tengis Limited of 4th Floor Hutchison House 10 Harcourt Road Central Hong Kong not later than 4:00 p.m. on 22 August 2002.

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