



# ARTS OPTICAL INTERNATIONAL HOLDINGS LIMITED

雅視光學集團有限公司

(incorporated in Bermuda with limited liability)

## FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2002

### FINAL RESULTS

The Board of Directors (the “Directors”) of Arts Optical International Holdings Limited (the “Company”) is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2002 together with last year’s comparative figures are as follows:

	<i>Notes</i>	<b>2002</b> <b>HK\$'000</b>	2001 <i>HK\$'000</i>
Turnover	<i>1</i>	<b>602,518</b>	547,012
Cost of sales		<b>(383,413)</b>	(349,702)
Gross profit		<b>219,105</b>	197,310
Other operating income	<i>2</i>	<b>10,065</b>	6,970
Distribution costs		<b>(40,088)</b>	(34,428)
Administrative expenses		<b>(64,079)</b>	(51,726)
Other operating expenses		<b>(7,099)</b>	(7,789)
Profit from operations	<i>3</i>	<b>117,904</b>	110,337
Finance costs	<i>4</i>	<b>(109)</b>	(423)
Profit before taxation		<b>117,795</b>	109,914
Taxation	<i>5</i>	<b>(13,428)</b>	(9,766)
Profit before minority interests		<b>104,367</b>	100,148
Minority interests		<b>(1,304)</b>	(2,304)
Net profit for the year		<b>105,671</b>	102,452
Dividends	<i>6</i>	<b>59,906</b>	58,004
Earnings per share			
– Basic	<i>7</i>	<b>28.4 cents</b>	29.2 cents
– Diluted	<i>7</i>	<b>27.9 cents</b>	28.8 cents

Notes:

# 1. Segment information

## Business segments

The Group is principally engaged in the design, manufacture and sales of optical products. No business segment analysis is presented as management considers this as one single business segment.

## Geographical segments

The Group's operations and assets are located in Hong Kong and elsewhere in the People's Republic of China.

Segment information of the Group by location of customers is presented as below:

For the year ended 31st December, 2002

	<b>Europe</b> <i>HK\$'000</i>	<b>United States</b> <i>HK\$'000</i>	<b>Asia</b> <i>HK\$'000</i>	<b>Other regions</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
<i>Revenue</i>					
External sales	<b><u>249,420</u></b>	<b><u>243,190</u></b>	<b><u>76,648</u></b>	<b><u>33,260</u></b>	<b><u>602,518</u></b>
<i>Result</i>					
Segment result	<b><u>60,603</u></b>	<b><u>57,398</u></b>	<b><u>(6,573)</u></b>	<b><u>7,803</u></b>	<b>119,231</b>
Unallocated corporate expenses					<b>(4,991)</b>
Interest income on bank deposits					<b>2,017</b>
Gain on disposal of subsidiaries					<b><u>1,647</u></b>
Profit from operations					<b>117,904</b>
Finance costs					<b><u>(109)</u></b>
Profit before taxation					<b>117,795</b>
Taxation					<b><u>(13,428)</u></b>
Profit before minority interests					<b>104,367</b>
Minority interests					<b><u>(1,304)</u></b>
Net profit for the year					<b><u>105,671</u></b>

For the year ended 31st December, 2001

	Europe HK\$'000	United States HK\$'000	Asia HK\$'000	Other regions HK\$'000	Consolidated HK\$'000
<i>Revenue</i>					
External sales	<u>225,141</u>	<u>213,173</u>	<u>80,110</u>	<u>28,588</u>	<u>547,012</u>
<i>Result</i>					
Segment result	<u>53,939</u>	<u>53,375</u>	<u>(1,880)</u>	<u>6,004</u>	111,438
Unallocated corporate expenses					(5,830)
Interest income on bank deposits					<u>4,729</u>
Profit from operations					110,337
Finance costs					<u>(423)</u>
Profit before taxation					109,914
Taxation					<u>(9,766)</u>
Profit before minority interests					100,148
Minority interests					<u>(2,304)</u>
Net profit for the year					<u>102,452</u>

## 2. Other operating income

Included in other operating income are:

	2002 HK\$'000	2001 HK\$'000
Dividend income from other investment	66	70
Gain on disposal of other investment	200	–
Property rental income less negligible outgoings	398	478
Gain on disposal of subsidiaries	1,647	–
Interest income on bank deposits	2,017	4,729
Sales of scrap materials	<u>3,654</u>	<u>225</u>

### 3. Profit from operations

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Profit from operations has been arrived at after charging:		
Auditors' remuneration	1,200	900
Amortisation of goodwill (charged to other operating expenses)	255	–
Depreciation and amortisation of property, plant and equipment	46,147	45,489
Impairment loss on goodwill (charged to other operating expenses)	–	2,665
Loss on disposal of property, plant and equipment	1,121	809
Operating lease rentals in respect of rented premises	13,324	9,769
Unrealised holding loss on other investment	380	–
Staff costs		
– Directors' emoluments		
– Current year	2,438	4,081
– Amount waived in respect of 2001	(662)	–
	1,776	4,081
– Other staff		
– Salaries and other allowances	94,776	84,543
– Retirement benefit scheme contribution net of forfeited contribution of HK\$127,000 (2001: HK\$462,000)	890	555
	<u>97,442</u>	<u>89,179</u>

### 4. Finance costs

The finance costs represent interest expense on bank borrowings wholly repayable within five years.

### 5. Taxation

The charge represents Hong Kong Profits Tax calculated at 16% of the estimated assessable profit for the year.

The Inland Revenue Department (the “IRD”) has tax disputes with certain subsidiaries of the Group and had issued notices of additional assessments in respect of prior years to those subsidiaries. The Group is in the process of finalising this matter with the IRD. Based on the current estimation in respect of additional tax demanded by the IRD, a provision of HK\$2,700,000 (2001: Nil) is included in the taxation charge for the current year.

A portion of the Group's profits neither arises in, nor is derived from, Hong Kong. Accordingly, that portion of the Group's profit is not subject to Hong Kong Profits Tax. Further, in the opinion of the Directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

## 6. Dividends

	2002 HK\$'000	2001 HK\$'000
Interim dividend paid in respect of 2002 of 8 cents (2001: 8 cents) per share	29,953	28,248
Final dividend proposed in respect of 2002 of 8 cents (2001: 8 cents) per share	29,953	29,756
	<u>59,906</u>	<u>58,004</u>

The final dividend in respect of 2002 of 8 cents (2001: 8 cents) per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

## 7. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2002 HK\$'000	2001 HK\$'000
Earnings for the purposes of basic and diluted earnings per share – Net profit for the year	<u>105,671</u>	<u>102,452</u>
	<b>Number of shares</b>	
Weighted average number of shares for the purpose of basic earnings per share	371,699,863	351,455,425
Effect of dilutive potential shares in respect of share options	<u>6,978,197</u>	<u>4,656,307</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>378,678,060</u>	<u>356,111,732</u>

## DIVIDENDS

The Directors have resolved to recommend a final dividend of 8 cents per share for the year ended 31st December, 2002. Subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on 28th May, 2003, the final dividend will be payable on 3rd June, 2003 to shareholders whose names appear on the Register of Members of the Company on 28th May, 2003.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 22nd May, 2003 to 28th May, 2003, both days inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 21st May, 2003 in order to qualify for the final dividend mentioned above.

## **BUSINESS REVIEW**

### **Summary of results**

The Group's consolidated turnover and net profit increased by 10% and 3% to HK\$602.5 million (2001: HK\$547.0 million) and HK\$105.7 million (2001: HK\$102.5 million) respectively in 2002. Basic earnings per share decreased by 3% to 28.4 cents (2001: 29.2 cents) in 2002.

### **Original design manufacturing (ODM) division**

As reported in the 2002 Interim Report, market sentiment of the Group's ODM division had been gradually improving since March 2002. Sales to ODM customers increased by 11% to HK\$534.7 million (2001: HK\$483.6 million) in 2002. US and Europe remained the major markets of this division and accounted for 45% and 44% respectively (2001: 44% and 44%) of the turnover of the Group's ODM division. This division experienced some downward pressure on the selling prices of its products, especially on sales to the medium-sized customers during the year. This was partially offset by the Group continued efforts of further diversifying into higher margin titanium frames. Metal frames, titanium frames, handmade plastic frames, injection moulded plastic frames and spare parts accounted for 40%, 28%, 26%, 4% and 2% respectively of the turnover of the Group's ODM business in 2002 (2001: 47%, 18%, 31%, 2% and 2%).

### **Distribution division**

The global economic slowdown continued to affect the Group's distribution business. Sales of the Group's own-branded and licensed branded products (including both eyewear and lenses) decreased by 2% to HK\$33.9 million in 2002 (2001: HK\$34.5 million). Sales to Asia and Europe (mainly United Kingdom) accounted for 50% and 35% respectively of the turnover of the Group's distribution division in 2002 (2001: 58% and 30%). During the year, the Group acquired the remaining 49% interest in a subsidiary from the Group's British business partner, Rayner and Keeler Group, as part of the Group's integration plan of its distribution business.

### **Retailing division**

The Group continued to expand its retail chains of "ARTS 1000" and "SUNNY ARTS" in mainland China. It operated a total of 73 retail outlets in various major cities in mainland China including Beijing, Shanghai, Nanjing, Guangzhou and Shenzhen as at 31st December, 2002 (2001: 42 outlets). Turnover of the Group's retailing division increased by 17% to HK\$33.9 million in 2002 (2001: HK\$28.9 million). Amid deflationary economic development and keen competition in mainland China, business performances were mixed in different cities and no significant returns had been generated.

### **Financial position and liquidity**

During the year, the Group's operating activities generated a net cash inflow of HK\$135.3 million (2001: HK\$130.9 million). The placing of new shares to Templeton Strategic Emerging Markets Fund LDC in January 2002 raised HK\$31.2 million. As at 31st December, 2002, the Group had a net cash position (bank and cash balances plus pledged bank deposits net of any bank borrowings) of HK\$214.1 million (2001: HK\$156.9 million). The current ratio of the Group as at 31st December, 2002 was 4.3 to 1 (2001: 3.9 to 1) with HK\$441.0 million of current assets (2001: HK\$358.1 million) and HK\$102.7 million of

current liabilities (2001: HK\$92.0 million). Because of the higher level of export sales recorded in the 4th quarter of the year as compared with the corresponding period of 2001, debtors turnover period (ratio of the total debtor and discounted bills balances to sales) increased from 66 days in 2001 to 80 days in 2002 whereas inventory turnover period (ratio of inventory balance to cost of sales) decreased from 90 days in 2001 to 68 days in 2002.

As at 31st December, 2002, the Group had 374,410,000 shares (2001: 353,450,000 shares) in issue with a total shareholders' equity amounting to HK\$586.6 million (2001: HK\$507.4 million). Net asset value per share was HK\$1.57 (2001: HK\$1.44). Total long term liabilities and debt to equity ratio (expressed as a percentage of total long term liabilities over shareholders' equity) were HK\$0.8 million (2001: HK\$7.3 million) and 0.1% (2001: 1.4%) respectively.

The Group had limited exposure to foreign exchange rate fluctuations as most of its transactions, including borrowings, were conducted in either United States dollars, Hong Kong dollars and Renminbi and the exchange rates movements between these currencies were relatively stable.

### **Pledge of assets**

At 31st December, 2002, leasehold properties with an aggregate net book value amounting to approximately HK\$14,236,000 (2001: HK\$14,821,000) and bank deposits of approximately HK\$10,895,000 (2001: HK\$8,981,000) were pledged to banks to secure short term banking facilities granted to the Group.

### **Contingent liabilities**

	<b>The Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Bills discounted with recourse	—	4,781

At 31st December, 2002, the Company had given corporate guarantees in favour of banks to secure general banking facilities to the extent of HK\$119,130,000 (2001: HK\$94,130,000) granted to its subsidiaries. The extent of facilities utilised by the subsidiaries at 31st December, 2002 amounted to approximately HK\$1,540,000 (2001: HK\$4,781,000).

In addition to the above, at 31st December, 2002, the Group had given a corporate guarantee in favour of a minority shareholder of a subsidiary to the extent of RMB1,020,000 (2001: RMB1,020,000) (approximately HK\$962,000 (2001: HK\$962,000)) in consideration of the guarantee given by this minority shareholder in favour of banks to secure general banking facilities to the extent of RMB2,000,000 (2001: RMB2,000,000) (approximately HK\$1,887,000 (2001: HK\$1,887,000)) granted to this subsidiary. No such facilities were utilised by the aforesaid subsidiary as at 31st December, 2001 as the respective bank borrowing was fully repaid during 2001.

### **Employee and remuneration policies**

As at 31st December, 2002, the Group employed approximately 5,800 (2001: 5,100) full time staff in mainland China, Hong Kong and Europe. The Group remunerates its employees based on their performances, experiences and prevailing market salaries while performance bonuses are granted on a discretionary basis. Other employee benefits include insurance and medical cover, subsidised educational and training programmes, mandatory provident fund scheme as well as a share option scheme.

## **PROSPECTS**

### **ODM division**

The improvement of market sentiment since 2002 did not continue in the first quarter of 2003 and business visibility remains low. Concerns about the slow down of consumption market in the United States and the geo-political tension and military confrontation in the Middle East overshadow the general export market and intensify the competition among the manufacturers. The management will continue its efforts to satisfy customers' rising demand for smaller order size, shorter delivery time and quality products with innovative designs at affordable prices. More cost containment measures will be implemented and further diversification of higher margin products will continue as the management anticipates that selling prices may be under pressure again if the consumption market remains subdued.

### **Distribution division**

The Group has obtained the exclusive right to manufacture and distribute the Italian fashion brand "Fiorucci" for the entire Asia excluding Japan. The licence is for a term of 5 years commencing in April, 2003. Sales of Fiorucci eyewear will commence in the second half of 2003. In addition, the management continues to explore other opportunities in strengthening its brand portfolio, either by way of acquisition or licensing more fashion brands.

### **Retailing division**

The Group has adjusted its pace of expanding the retailing network in mainland China in the first quarter of 2003. More business and operational consolidation work will be undertaken this year with the aim of strengthening the competitiveness of and building a solid earnings platform for this division. Shops that do not meet the Group's pre-determined financial targets will be relocated or closed and the two lines of chains, namely ARTS 1000 and SUNNY ARTS will be combined in some of the cities to enhance economies of scale. Capital expenditure in further expansion of the retailing division will continue to be closely monitored and no significant write-off is expected as a result of this consolidation review exercise.

### **Summary**

Looking ahead, 2003 is expected to be another challenging and difficult year for the global economy as well as the Group. Business environment is highly unpredictable and downside risks on the Group's financial performance is possible. Despite the economic uncertainties, the management believes that the Group's solid financial strength and earning power will remain its competitive advantages and the Group remains well-positioned to seek growth opportunities which will lay foundations for its further development.

## **PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE EXCHANGE'S WEBSITE**

A detailed results announcement containing 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 "Exchange") will be published on the Exchange's website in due course.

## **CORPORATE GOVERNANCE**

The Company has complied throughout the year ended 31st December, 2002 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Exchange.



An Audit Committee (the “Committee”) has been established by the Company since 1998 to act in an advisory capacity and make recommendations to the board. The Committee currently comprises Messrs. Kwong Kam Kwan Alex and Francis George Martin, both of whom are independent non-executive directors of the Company. During the year, three Committee meetings were held and the Committee members met with representatives from the management and/or external auditors of the Company to review the interim and annual reports of the Group as well as various auditing, financial reporting and internal control matters. All the Committee members attended these three meetings.

A Remuneration Committee was established in 2003 and currently comprises Messrs. Francis George Martin and Kwong Kam Kwan Alex, both of whom are independent non-executive directors of the Company. The duties of the Remuneration Committee include the determination of remuneration of executive directors and review of remuneration policy of the Group.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES**

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

By order of the Board  
**Ng Hoi Ying, Michael**  
*Chairman*

Hong Kong, 9th April, 2003

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Arts Optical International Holdings Limited (the “**Company**”) will be held at Inter-Continental VI-VII, Hotel Inter-Continental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on 28th May, 2003 at 3:30 p.m. for the following purposes:

#### **AS ORDINARY BUSINESS**

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December, 2002.
2. To declare a final dividend for the year ended 31st December, 2002.
3. To re-elect the retiring Director, to appoint a new Executive Director and to authorise the Remuneration Committee to fix the Directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as Auditors and to authorise the Board of Directors to fix their remuneration.

## AS SPECIAL BUSINESS

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in the shares of the Company which may fall to be allotted and issued pursuant to the exercise of any options to be granted under the new share option scheme of the Company (the “**New Scheme**”), the rules of which have been submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification:

- (a) the existing share option scheme of the Company adopted on 24th October, 1996 be and is hereby terminated; and
- (b) the New Scheme be and is hereby approved and that the directors of the Company be and are hereby authorised to implement the New Scheme, as amended the same from time to time provided that such modification is effected in accordance with the provisions of the New Scheme and of the Rules Governing the Listing of Securities on the Stock Exchange from time to time in force and to grant options and to issue and allot shares of the Company pursuant thereto.”

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares to be repurchased by the Company pursuant to the approval in paragraph (a) above of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or the Bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options which would or might require the allotment of such shares, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above of this resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements or options which would or might require the allotment of such shares after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time; (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for shares in the Company, shall not exceed:
  - (A) in the case of an allotment and issue of shares for cash, 5% of the aggregate nominal amount of the share capital in issue at the date of this resolution; and
  - (B) in the case of an allotment and issue of shares other than for cash, 20% of the aggregate nominal amount of the share capital in issue at the date of this resolution (less shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (A) of this resolution), provided that, in any event, any shares to be allotted and issued by the Directors pursuant to the approval granted under this resolution shall not be issued at a discount of 5% or more to the Benchmarked Price (as hereinafter defined) of the shares, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution,

**“Benchmarked Price”** shall be a price which is the higher of:

- (i) the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; or
- (ii) the average closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earlier of:
  - (A) the date of signing of the agreement to which the transaction relates; or
  - (B) the date on which the relevant transaction is announced; or

- (C) the date on which the price of the shares of the Company to be issued pursuant to the transaction is fixed.

**“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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or the Bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

**“Rights Issue”** means an offer of shares open for a period fixed by the Directors to the holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors 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 any recognised regulatory body or any applicable stock exchange).”

8. To consider, and if thought fit, pass the following resolution as a special resolution:

**“THAT** the Company be and is hereby authorised to adopt “雅視光學集團有限公司” as its Chinese corporate name.”

By order of the Board  
**Lee Wai Chung**  
*Company Secretary*

Hong Kong, 9th April, 2003

*Notes:*

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (2) To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company’s share registrars in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting, or any adjournment thereof.
- (3) The register of members of the Company will be closed from 22nd May, 2003, to 28th May, 2003 (both days inclusive), during which period no transfers 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 share registrars in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 21st May, 2003 in Hong Kong.
- (4) An explanatory statement containing further details regarding resolution No. 6 above will be sent to Shareholders together with the annual report of the Company for the year ended 31st December, 2002.

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