

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

The Board of Directors (the “Board”) of China Treasure (Greater China) Investments Limited (the “Company”) is pleased to announce the audited results of the Company for the year ended 31 December 2002 as follows:

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	NOTES	1.1.2002 to 31.12.2002 HK\$	14.9.2001 to 31.12.2001 HK\$
Turnover	2	469,875	–
Other operating income – bank interest income		173,896	–
Net unrealised gains on investments in listed securities		3,311,977	–
Net unrealised gains on investments in unlisted securities		312,539	–
Administrative expenses		(2,891,847)	(120,000)
Other operating expenses		(2,634,757)	(160,000)
		<hr/>	<hr/>
Loss before taxation	4	(1,258,317)	(280,000)
Taxation	5	–	–
		<hr/>	<hr/>
Net loss for the year/period		<u>(1,258,317)</u>	<u>(280,000)</u>
Dividend	6	<u>5,150,000</u>	<u>–</u>
Loss per share – Basic	7	<u>(1.44) cents</u>	<u>(32.14) cents</u>

Notes:

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong.

2. TURNOVER

Turnover represents interest income received and receivable from investments in debt securities during the year.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company is principally engaged in investing in listed and unlisted companies in the PRC and Hong Kong during the year.

All of the activities of the Company are based in Hong Kong and all of the Company's turnover and operating loss are derived from Hong Kong.

4. LOSS BEFORE TAXATION

	1.1.2002 to 31.12.2002 HK\$	14.9.2001 to 31.12.2001 HK\$
Loss before taxation has been arrived at after charging:		
Auditors' remuneration	112,698	120,000
Operating lease payments in respect of rented premises	160,000	–
Staff costs, including directors' emoluments	2,441,200	–
	<u>2,713,900</u>	<u>120,000</u>

5. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company incurred a tax loss for the year.

No provision for Hong Kong Profits Tax has been made in the financial statements in the prior period as the Company had no assessable profits during that period.

No provision for deferred taxation has been recognised in the financial statements as the amount involved is insignificant.

6. DIVIDEND

	1.1.2002 to 31.12.2002 HK\$	14.9.2001 to 31.12.2001 HK\$
Interim, paid – HK\$0.05 per ordinary share (14.9.2001 – 31.12.2001: Nil)	5,150,000	–

An interim dividend was declared by the Board of Directors of the Company on 26 August 2002 out of the unaudited net profit for the period from 1 January 2002 to 30 June 2002 of HK\$11,385,552.

7. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the year of HK\$1,258,317 (14.9.2001 to 31.12.2001: HK\$280,000) and the weighted average number of 87,109,589 (14.9.2001 to 31.12.2001: 871,233) ordinary shares in issue during the year.

No diluted loss per share is presented as the Company did not have any potential ordinary shares in issue during the year/period.

FINANCIAL RESULTS

For the year ended 31 December 2002, the Company recorded a loss of HK\$1,258,317. The loss represents the difference between the unrealised gain from listed securities and administrative and operating expenditure. As compared with HK\$11.4 million unaudited interim profit of the Company, the loss for the year is mainly due to the decrease of unrealised gain from the listed securities.

USE OF PROCEEDS FROM NEW LISTING OF THE COMPANY'S SHARES

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 February 2002. Net proceeds from the placement and the public offer of the Company's shares were approximately HK\$93 million. The net proceeds were invested according to the investment policies and objectives of the Company as stated in the Company's prospectus dated 19 February 2002. The details of investments are further discussed below.

DIVIDEND

An interim dividend of HK\$0.05 per ordinary share amounting to HK\$5,150,000 was declared by the Board of Directors of the Company and paid on 20 September 2002.

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 December 2002.

INVESTMENT PORTFOLIO AND INVESTMENT PROSPECT

Unlisted securities

The Company held the following unlisted securities as at 31 December 2002:

Name of investee company	Interest held	Cost as at 31/12/2002 HK\$	Director's valuation HK\$	% of net assets of the Company
Korning Investments Limited	13%	18,573,758	18,573,758	20.76%
Modern Vocal Limited	19%	18,000,000	18,000,000	20.11%
		<u>36,573,758</u>	<u>36,573,758</u>	<u>40.87%</u>

Korning Investments Limited indirectly held 60% of a newly established Pharmaceutical Joint Venture (the "JV") in Beijing, PRC. As a result, the Company has acquired an indirect 7.8% interest of the JV. The Company has actively participated in establishment of the JV and formation of its operating systems and marketing its products. The business licence of the JV was obtained in August 2002. The first phase of capital injection was completed according to the Joint Venture Agreement and the management team has been appointed. Full operation of the JV commenced in the 4th Quarter of 2002.

The pharmaceutical industry is one of the high potential businesses in PRC. The demands for Chinese herbs, Chinese herbal medicines and healthcare products are expected to have significant growth in the coming years. Continued rising government health expenditures, ageing population and increasing health awareness due to increase in average household income in PRC will support the growth of this industry. The Company will benefit from the success of the JV.

Modern Vocal Limited held 90% interest in a sino-foreign joint venture in PRC to develop, manufacture and distribute the internet telephone units and value-stored calling cards in PRC. The PRC joint venture has been appointed as one of Jitong's (one of the authorised telecommunication operators in PRC) agents to market and promote the sale of value-stored calling cards issued by Jitong.

As the telecommunication market in PRC has turned into much more competitive due to regulatory changes and technological advancement, business progress in the PRC joint venture has been moving slower than originally scheduled. However, the management still has confidence that this industry will give the growth prospects better than most of other industries in PRC.

As at 31 December 2002, no unrealised holding gain/loss on unlisted securities was recorded and no dividend was received from unlisted securities during the year.

Listed securities

The Company held the following listed security as at 31 December 2002:

Name of investee company	Interest held	Cost as at 31/12/2002 HK\$	Market value HK\$	Unrealised holding gain HK\$	% of net assets of the Company
Yanion International Holdings Limited	4.91%	18,887,023	22,199,000	3,311,977	24.81%
		<u>18,887,023</u>	<u>22,199,000</u>	<u>3,311,977</u>	<u>24.81%</u>

With the consideration of prevailing weakness of global economic conditions, plus the various domestic problems facing Hong Kong economy, the Management is cautious in further equity investments in Hong Kong and PRC and will restructure the investment portfolio if necessary.

No dividend was received from listed securities during the year.

Debt securities

The Company held the following debt securities as at 31 December 2002:

Name of issuer	Principle amount HK\$	Annual interest rate	Market value HK\$	Unrealised holding gain HK\$	Maturity date
Info Quality Development Limited	13,500,000	4%	13,500,000	–	31 December 2004
Maximus Global Strategy Fund	15,601,600	–*	15,914,139	312,539	–*
	<u>29,101,600</u>		<u>29,414,139</u>	<u>312,539</u>	

* no fixed terms

The Company invested indirectly in a Beijing private entity principally engaged in design, advertising and promotion business in PRC. The investment was carried out in the form of a convertible loan amounted to HK\$13.5 million which would entitle the Company to control approximately 30% of this advertising company's equity in the event of an exercise by the Company of its right to convert the loan.

Following China's entry into WTO and increasing demand on consumer products and business promotion in PRC plus the gradual release of various legal restrictions on ownership of advertising entity by the PRC Government, the Management expected tremendous room for expansion in this industry.

The Company also invested in one of the Maximus Global Strategy Fund, which is a short term high yield income fund administered by Commerzbank International Trust (Singapore) Ltd. The aim of this fund is to achieve return above bank deposit rate for short term deposits. Given the existing low money market deposit return, the Company will be benefited more from the short term investment.

LIQUIDITY, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2002, the Company had cash and bank balances of HK\$1,491,126, the management believes that the Company maintained sufficient working capital for its operation. The Company did not have any borrowings during the year and there are no charges on the Company's assets. As at 31 December 2002, the Company had no material capital commitment and contingent liabilities.

FOREIGN CURRENCY FLUCTUATION

The Company believes that the foreign exchange risk is minimal as the Company mainly uses Hong Kong dollars and United States dollars to carry out its business transactions.

STAFF

As at 31 December 2002, the Company employed four employees. Total staff cost of the Company, excluding directors' remuneration, for the year under review amounted to HK\$689,200. Staff remuneration packages are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employee.

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

The Company did not purchase, sell or redeem any of the Company's listed securities following the listing of its shares on 28 February 2002.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, since the date of listing of the Company on 28 February 2002, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the Stock Exchange.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

The annual report of the Group for the year ended 31 December 2002 containing all the information required by the paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the Stock Exchange's website at <http://www.hkex.com.hk> on or before Tuesday, 29 April 2003.

AUDIT COMMITTEE

The audit committee, which comprises of two independent Non-executive Directors of the Company, has reviewed with management the accounting principles and practices adopted by the Company and discussed

auditing, internal controls and financial reporting matters. The audit committee of the Company has reviewed the audited financial statements for the year ended 31 December 2002.

APPRECIATION

The Company regretfully accepted the resignation of Mr. Andrew Nan Sherrill as Executive Director of the Company on 4 April 2003. The management sincerely thanks Mr. Sherrill for his past contributions to the Company.

On behalf of the Board
Chan Yan Ming, Michael
Managing Director

Hong Kong, 15 April 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Treasure (Greater China) Investments Limited (the “Company”) will be held at the Mont Blanc Room, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 23 May 2003 at 11:00 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements, the Reports of the Directors and Auditors for the period ended 31 December 2002.
2. To re-elect the retiring Directors and to authorise the Directors to fix the remuneration of the Directors.
3. To re-appoint Auditors and to authorise the Directors to fix the remuneration of the Auditors.

As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

4A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of HK\$0.10 each in the capital of the Company subject to and in accordance with all applicable laws and 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 approval in paragraph (a) shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the shares which are authorised to be purchased by the Directors of the Company pursuant to the approval in paragraph (a) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said authority shall be limited accordingly;

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of 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 law or the Company’s Articles of Association to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”

4B. **“THAT:**

- (a) subject to paragraph (c) below, 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 additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval granted in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with its Articles of Association, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company 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” shall have the same meaning as ascribed to it under resolution set out in paragraph 4A(d) of the notice convening this Meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions 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 or any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

4C. **“THAT:**

conditional upon the passing of the resolutions set out in paragraphs 4A and 4B of the notice convening this Meeting, the general mandate granted to the Directors of the Company pursuant to the resolution set out in paragraph 4B of the notice convening this Meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the resolution set out in paragraph 4A of the notice convening this Meeting, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

5. To transact any other business.

By Order of the Board
Kwan Fung Ling
Company Secretary

Hong Kong, 15 April 2003

Notes:

1. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more separate proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company’s principal office in Hong Kong at 11/F., Thyse House, 16 Pottinger Street, Central, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjourned Meeting.
3. With respect to the resolution set out in paragraph 4A of the notice, approval is being sought from Shareholders for a general mandate to be given to the Directors to purchase shares of the Company.
4. With respect to the resolutions set out in paragraphs 4B and 4C of the notice, approval is being sought from Shareholders for general mandates to be given to the Directors to allot, issue and deal with shares of the Company in accordance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.
5. An explanatory statement containing the information with respect to the resolutions set out in paragraphs 4A to 4C of the notice will be sent to the Shareholders together with the 2002 Annual Report.

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