



# VANTAGE INTERNATIONAL (HOLDINGS) LIMITED

盈信控股有限公司\*

(Incorporated in Bermuda with limited liability)

## ANNOUNCEMENT OF ANNUAL AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2002

The board of directors (the "Directors") of Vantage International (Holdings) Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2002, which have been prepared in accordance with accounting principles generally accepted in Hong Kong, together with 2001 comparative figures, set out as follows:

### AUDITED CONSOLIDATED RESULTS

		Year ended 31 March	
	Notes	2002 HK\$'000	2001 HK\$'000
TURNOVER – contract revenue	4	367,417	346,540
Contract costs		(353,029)	(303,768)
		<u>14,388</u>	<u>42,772</u>
Write back of prior years' over-estimated costs	5	–	9,370
Gross profit		14,388	52,142
Other revenue and gains	6	1,336	10,789
Administrative expenses		(21,171)	(17,112)
Other operating expenses		(2,689)	(2,289)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	4,7	(8,136)	43,530
Finance costs	8	(426)	(385)
Share of losses of jointly-controlled entities		(33)	(92)
PROFIT/(LOSS) BEFORE TAX		(8,595)	43,053
Tax	9	(468)	(6,670)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		(9,063)	36,383
Minority interests		(115)	(3,268)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>(9,178)</u>	<u>33,115</u>
DIVIDENDS	10	–	21,440
EARNINGS/(LOSS) PER SHARE – BASIC	11	<u>HK(4.4 cents)</u>	<u>HK 18.8 cents</u>

#### Notes:

#### 1. GROUP REORGANISATION

The Company was incorporated as an exempted company with limited liability in Bermuda on 21 June 2000 under the Companies Act 1981 of Bermuda (as amended). On 17 August 2000, pursuant to a reorganisation to rationalise the structure of the Group in preparation for the listing of the shares of the Company on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company acquired the entire issued share capital of Profit Chain Investments Limited, the then holding company of the subsidiaries included in the Group reorganisation, and thereby became the holding company of the Group. The shares of the Company have been listed on the Stock Exchange since 8 September 2000. Further details of the Group reorganisation are set out in the Company's listing prospectus dated 29 August 2000.

#### 2. BASIS OF CONSOLIDATION AND PRESENTATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2002. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The comparative amounts have been prepared using the merger basis of accounting. On this basis, the Company has been treated as the holding company of its subsidiaries acquired through the Group reorganisation since 1 April 2000, rather than from the date of their acquisition through the Group reorganisation on 17 August 2000. Accordingly, the consolidated results of the Group for the year ended 31 March 2001 included the results of the Company and its subsidiaries with effect from 1 April 2000 or since their respective dates of incorporation, where this is a shorter period, except for two subsidiaries which were acquired by the Group on 22 May 2000. The results of these two subsidiaries are included in the consolidated profit and loss account from the effective date of acquisition.

#### 3. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs")

Certain recently-issued and revised SSAPs and related Interpretations issued by the Hong Kong Society of Accountants became effective and were adopted for the first time during the current year. The major effects of these SSAPs and Interpretations on the Group's financial statements are summarised as follows:

In compliance with revised SSAP 9 "Events after the balance sheet date", proposed final dividend which is not declared and approved until after the balance sheet date is no longer recognised as a liability at the balance sheet date, but is disclosed as an allocation of retained earnings on a separate line within the capital and reserves section of the balance sheet.

In compliance with SSAP 26 "Segment reporting", significant additional segment information has been included.

In compliance with SSAP 30 "Business combinations", goodwill arising on acquisition has been included in the non-current assets section of the consolidated balance sheet and is amortised to the consolidated profit and loss account over its estimated useful life. In addition, in compliance with Interpretation 13, goodwill arising from acquisitions in previous years remains eliminated against consolidated reserves.

Other new SSAPs and related interpretations which have impacts on the Group's accounting policies and on the amounts disclosed in the financial statements will be summarised in the Company's annual report.

#### 4. TURNOVER AND SEGMENT INFORMATION

Analysis of the Group's turnover and contribution to profit/(loss) from operating activities by business segments is as follows:

	Turnover		Contribution to operating activities	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Building construction	150,221	167,934	4,337	39,214
Civil engineering works	99,691	64,320	5,869	8,140
Renovation, repairs and maintenance	117,505	114,286	4,182	4,788
	<u>367,417</u>	<u>346,540</u>	<u>14,388</u>	<u>52,142</u>
Interest and dividend income and unallocated gains			1,336	10,789
Unallocated expenses			(23,860)	(19,401)
Profit/(loss) from operating activities			<u>(8,136)</u>	<u>43,530</u>

During the two years ended 31 March 2001 and 2002, the Group was principally engaged in its business in Hong Kong, therefore no geographical segment information is presented.

#### 5. WRITE BACK OF PRIOR YEARS' OVER-ESTIMATED COSTS

The write back of prior years' over-estimated costs represents the release of provisions for additional contract costs previously expected to have been required for difficulties encountered in certain contracts. These contracts were subsequently

completed without the additional costs as previously anticipated. Accordingly, upon the completion of such contracts, the additional contract costs previously accrued were written back.

#### 6. OTHER REVENUE AND GAINS

	2002 HK\$'000	2001 HK\$'000
Consultancy and handling fee income	–	7,000
Interest income	713	2,636
Exchange gains, net	308	–
Sundry income	315	420
Rental income	–	460
Dividend income from listed investments	–	92
Gain on disposal of listed investments	–	116
Gain on disposal of fixed assets	–	65
	<u>1,336</u>	<u>10,789</u>

#### 7. 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
Depreciation	1,316	946
Deficit on revaluation of investment properties	1,900	1,341
Goodwill amortisation*	790	–
Interest income	(713)	(2,636)

\* The amortisation of goodwill for the year is included in "Other operating expenses".

#### 8. FINANCE COSTS

	2002 HK\$'000	2001 HK\$'000
Interest on bank overdrafts and trust receipt loans	414	338
Interest on finance leases	12	47
	<u>426</u>	<u>385</u>

#### 9. 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.

	2002 HK\$'000	2001 HK\$'000
Hong Kong:		
Provision for the year	22	6,670
Prior year underprovision	446	–
Tax charge for the year	<u>468</u>	<u>6,670</u>

The Group did not have any significant unprovided deferred tax in respect of the year (2001: Nil).

#### 10. DIVIDENDS

	2002 HK\$'000	2001 HK\$'000
Special dividend paid by a subsidiary of the Company to its then shareholders on 8 August 2000	–	10,000
Proposed final dividend – Nil (2001: HK6.5 cents) per ordinary share	–	11,440
	<u>–</u>	<u>21,440</u>

The special dividend of HK\$10,000,000 in 2001 were paid by a subsidiary to its then shareholders prior to the Group reorganisation as set out in note 1 above.

#### 11. 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 approximately HK\$9,178,000 (2001: net profit of approximately HK\$33,115,000), and the weighted average of approximately 209,780,000 (2001: 176,416,000 as adjusted to reflect the bonus issue during the year) ordinary shares in issue during the year.

Diluted earnings/(loss) per share for the years ended 31 March 2002 and 2001 have not been calculated as no diluting events existed during these years.

#### DIVIDEND

The Board does not recommend the payment of any final dividend for the year (2001: 6.5 Hong Kong cents per ordinary share).

#### BUSINESS REVIEW

During the year, the Group successfully completed several substantial contracts including, among others, the construction of Tactical Training Complex at the Police Training School, St. John the Baptist Church and Care and Attention Home at Tseung Kwan O, and PCCW Civil Works Term Contract for Urban Area and Outlying Islands.

As at 31 March 2002, the total value of the contracts on hand was approximately HK\$1,051 million. The contracts on hand are all progressing satisfactorily and on schedule.

Over the past years, quality of works, site safety and environmental safety have always been the Group's major concerns. As evidence of the Group's performance in these aspects, the Group's wholly-owned subsidiaries, Able Engineering Company Limited and Excel Engineering Company Limited have won several awards during the year. These awards include the Considerate Contractors Site Award from the Works Bureau, the Green Contractor Certificate of Merit Award from the Architectural Services Department and the Safety Achievement Award from The Hong Kong Construction Association.

In October 2001, Able Engineering Company Limited was confirmed by the Works Bureau of the Government of the HKSAR in Group C under the "Buildings" category in its list of approved contractors for public works, which means the Group has been able to tender for any number of individual Group C contracts without any limit to the contract value. Pursuant to this upgrade in the approved contractors list and by the end of this financial year, the Group already secured 4 significant contracts for conversion and extension to 5 existing schools under the School Improvement Programme and the construction of 7 new schools, the total contract value of which amounted to approximately HK\$643 million. This really marked an encouraging step of the Group towards its aim to be one of the leading construction contractors in Hong Kong.

#### MAJOR ACQUISITIONS

On 27 April 2001, the Group successfully completed the acquisition of the remaining 48.55% interests in Excel Engineering Company Limited ("Excel") and Gadelly Construction Company Limited ("Gadelly"), which were then non-wholly owned subsidiaries of the Group. The consideration of this acquisition was settled by the issue and allotment of 16,000,000 new ordinary shares of HK\$0.1 each in the capital of the Company to the vendors. Excel and Gadelly have become wholly owned subsidiaries of the Group since then.

Based on more than 25 years' experience and expertise in building maintenance works, civil engineering construction works and landslip preventive works in public as well as private sectors, the business of both Excel and Gadelly is developing smoothly and satisfactorily. Since their acquisitions, they have been making positive contributions to the Group. Total turnover of Excel and Gadelly has been in steady growth. In February 2002, Excel succeeded with a contract for PCCW for telephone cable laying work for another term of three years. During the year, Excel and Gadelly successfully completed 7 significant contracts with the total contract value amounting to approximately HK\$180 million. The total value of their contracts on hand as at the end of this year was approximately HK\$360 million.

#### FINANCIAL REVIEW

##### Results

As there has been no sign of recovery of the construction market in Hong Kong, this year has been a difficult one for the Group. Despite the fact that turnover increased by 6% to approximately HK\$367,417,000 (2001: HK\$346,540,000), the Group incurred net loss attributable to shareholders of approximately HK\$9,178,000 for the year (2001: net profit HK\$33,115,000). This has been caused by the drop in the gross profit margin from approximately 15% for last year to 4% for this year.

##### Liquidity and financial resources

As at 31 March 2002, the Group had cash and cash equivalents on hand of approximately HK\$17,716,000 (2001: HK\$34,250,000). With effective cash flow management, the Group maintained a strong working capital position as at 31 March 2002, which reflects in a satisfactory current ratio of 2.04 (2001 restated: 2.4).

Bank borrowings and finance lease payables remained at a low level of approximately HK\$903,000 as at 31 March 2002 (2001: HK\$2,258,000). Gearing ratio, measured on the basis of total bank borrowings and finance lease payables as a percentage of total shareholders' equity, was less than 1% as at 31 March 2002 (2001 restated: 2%).

Banking facilities, comprising mainly overdrafts, have been obtained for the primary purpose of financing normal daily operations. As at 31 March 2002, the Group's total available banking facilities amounted to HK\$36 million (2001: HK\$29 million), of which approximately HK\$35 million (2001: 26.9 million) was unutilised.

##### Charges on assets

As at 31 March 2002, fixed deposits of approximately HK\$18.9 million (2001: HK\$15.9 million) and investment properties with a carrying value of HK\$2.3 million (2001: 2.7 million) were pledged to the banks as security against the banking facilities granted to the Group.

##### Contingent liabilities

As at 31 March 2002, the Company had contingent liabilities in relation to guarantees given to banks against the facilities utilised by a subsidiary to the extent of approximately HK\$838,000 (2001: HK\$2,107,000). In addition, the Group also had outstanding guarantees under performance bonds amounting to approximately HK\$5,263,000 (2001: HK\$3,470,000) given by certain banks in favour of certain contract customers.

##### STAFF

As at 31 March 2002, the Group employed 146 full-time staff.

##### PROSPECTS

In May 2002, the Group was awarded by the Architectural Services Department a 39-month term contract for the alterations, additions, maintenance and repair of buildings and lands with a total contract value of approximately HK\$455 million. It is the largest value of one single contract of similar works that the Group has ever obtained.

The Group has determined to step up its efforts to actively bid for more projects to capitalise on the confirmation in Group C Buildings Category in the Works Bureau's list of approved contractors for public work. These efforts have proved fruitful. Since the said confirmation of the Group C status, the Group have already secured contracts valued over HK\$1,000 million in total from the HKSAR Government since October 2001. These contracts will substantially be completed in 2 to 4 years' time.

On the other hand, the Architectural Services Department (ASD) is offering further contracts for tender under the final phase of the School Improvement Programme (SIP) in the coming months. Based on the Group's satisfactory track records with the ASD, the management expects that the Group will be able to secure more substantial contracts under the SIP. Also slope works in the market is on the increase. The management expects that the Group will be able to secure more slope works contracts.

Meanwhile, the outlook of the economy in Hong Kong remains uncertain. Therefore, the management will maintain its prudent financial policies and continue to place extra emphasis on project management so as to keep down the construction costs. However, the management believes that, capitalising on the Group's licence to perform public work, the Group will continue to secure contracts of considerable values. At the same time, the management will strive to contain the operating costs at the current levels. Based on a prospective increase in contract revenue, coupled with strict costs control and prudent financial measures, the management is confident that the Group will turn around its loss position and achieve profitability in the near future.

##### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

##### AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference for the purpose of reviewing and providing supervision of the financial reporting process and internal controls of the Group. The audit committee comprises the two independent non-executive directors.

##### CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year.

##### PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

All the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board  
Ngai Chun Hung  
Chairman

Hong Kong, 18 June 2002

\* For identification only

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Vantage International (Holdings) Limited (the "Company") will be held at Tang Room II, 3/F, Sharaton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong at 11:00 a.m. on Monday 5 August 2002 for the following purposes:

### ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2002.
2. To consider and, if thought fit, re-elect Mr Shek Yu Ming, Joseph as a Director.
3. To authorise the Board to fix the fees of the Directors.
4. To re-appoint Ernst & Young as Auditors and to authorise the Board to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**"THAT:**

- (a) subject to paragraph (c) below, 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 shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or 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 in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of any option under the share option scheme or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend or shares of the Company in accordance with the Bye-Laws of the Company, shall not exceed the aggregate of:

- (i) twenty (20) per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution; and

- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to ten (10) per cent. 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

- (d) for the purpose of this resolution,

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;

- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

- (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by any applicable laws or the Company's Bye-Laws to be held.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares of class thereof (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 of, or of the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company)."

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**"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 the powers of the Company to repurchase its own shares, subject to and in accordance with all applicable laws and/or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed ten (10) per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution and the said approval 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 earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;

- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

- (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by any applicable laws or the Company's Bye-Laws to be held.

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**"THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to issue, allot and dispose of shares pursuant to Resolution 6 above be and is hereby extended by the addition to the total nominal amount of share capital and any shares which may be issued, allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the total nominal amount of shares in the capital of the Company which has been purchased by the Company since the granting of such general mandate pursuant to Resolution 7 above, provided that such amount shall not exceed ten (10) per cent. of the total nominal amount of the share capital of the Company in issue at the date of this Resolution."

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**"THAT**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of, and permission to deal in, the shares of HK\$0.10 each in the capital of the Company ("Shares") to be issued pursuant to the exercise of any options that may be granted under the new share option scheme (the "New Share Option Scheme"), the rules of which are contained in the document marked "A" produced to the meeting and for the purposes of identification signed by the Chairman of the meeting, the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including without limitation to:

- (i) administering the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;

- (ii) modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange;

- (iii) allotting and issuing from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the New Share Option Scheme provided that the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and other share option schemes of the Company shall not exceed ten (10) per cent. of the relevant class of the Shares in issue as at the date of passing this resolution (the "Scheme Mandate Limit") subject to refreshment and renewal of the Scheme Mandate Limit in accordance with the Listing Rules and the rules of the New Share Option Scheme; and

- (iv) making application at the appropriate time or times to the Stock Exchange, and any other stock exchange upon which the Shares may for the time being be listed, for the listing of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and

- (b) conditional upon the passing of Resolution 8(a) above, the existing share option scheme adopted by the Company on 17 August 2000 (the "Existing Share Option Scheme") be and is hereby terminated with immediate effect and thereafter no further options may be offered under the Existing Share Option Scheme but the options which have been granted during the life of the Existing Share Option Scheme shall continue to be exercisable in accordance with their terms of issue and in all other respects the provisions of the Existing Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior to the termination or otherwise as may be required in accordance with the rules of the Existing Share Option Scheme."

9. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

**"THAT** "盈信控股有限公司" be adopted as the Company's Chinese name for the purpose of registration in Hong Kong."

By Order of the Board  
Ngai Chun Hung  
Chairman

Hong Kong, 18 June 2002

Notes:

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notorially certified copy of that power of attorney or authority, must be lodged with the Company's branch share registrars in Hong Kong, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
- (3) A circular containing an explanatory statement regarding Resolutions 5 to 7 above and further details regarding Resolution 8 above will be sent together with the Annual Report to the shareholders.
- (4) Resolution 9 above relates to the adoption of a Chinese name by the Company. The Company being incorporated in Bermuda, only its English name appears on its Certificate of Incorporation. Accordingly, the Company has been registered as an overseas company in its English name only under Part XI of the Hong Kong Companies Ordinance. The Company's Chinese name has been used as a translation for identification purpose only. However, pursuant to the changes in the Hong Kong Companies Ordinance, an overseas company may now apply to the Hong Kong Companies Registry for the registration of a Chinese name in Hong Kong notwithstanding that only an English name appears in its Certificate of Incorporation. Therefore, the Directors propose the formal adoption of Company's Chinese name for the purpose of registration in Hong Kong.