



WellNet Holdings Limited

(incorporated in Bermuda with limited liability)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

Summary

- Turnover for the year was HK\$3.746 billion, a surge of 26% over last year
 - Operating profit of core business* was HK\$127 million, an increase of 183% over last year
 - Profit attributable to shareholders was HK\$78.18 million, an increase of 159% over last year
 - Basic and diluted earnings per share were HK 7.87 cents and HK 7.71 cents respectively and a final dividend of HK 4 cents per share was recommended
- * Operating profit of core business represents the operating profit of steel business

FINANCIAL RESULTS

The Directors of WellNet Holdings Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2002, together with the comparative figures for 2001, as follows:-

	Notes	2002 HK\$'000	2001 HK\$'000
Turnover	2	3,745,821	2,974,517
Cost of sales		(3,527,055)	(2,790,382)
Gross profit		218,766	184,135
Other revenue		6,678	8,753
Selling and distribution expenses		(39,760)	(29,891)
General and administrative expenses		(80,673)	(89,673)
Loss on investments, net		(1,236)	(2,921)
Operating profit	2&3	103,775	70,403
Gain on disposal of a subsidiary		-	26,494
Finance costs		(22,763)	(42,671)
Share of profits less losses of associates		2,195	(1,012)
Profit before taxation		83,207	53,214
Taxation	4	(2,508)	(15,276)
Profit after taxation		80,699	37,938
Minority interests		(2,516)	(7,805)
Profit attributable to shareholders		78,183	30,133
Dividends	5	42,157	29,982
Earnings per share	6		
- basic		HK 7.87 cents	HK 3.26 cents
- diluted		HK 7.71 cents	HK 3.21 cents

Notes:-

- (1) **Adoption of new/revised Statements of Standard Accounting Practice**
During the year ended 31 December 2002, the Group adopted, for the first time, the following Statements of Standard Accounting Practice ("SSAP") issued by the Hong Kong Society of Accountants:

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

The adoption of the above SSAP has no material effect on the prior year accounts.

- (2) **Segment information**

(a) Analysis by business segments is as follows:

	2002		2001	
	External sales HK\$'000	Internal segment sales HK\$'000	External sales HK\$'000	Internal segment sales HK\$'000
Turnover				
- Steel trading, warehousing and distribution	3,426,376	76,188	2,622,021	26,636
- Steel manufacturing and processing	249,170	6,669	208,603	-
- Property development	29,248	-	103,034	-
- Property investment	11,566	-	9,404	-
- Metal exchange portals	28,237	3,097	30,605	12,062
- Others	1,224	-	850	-
	3,745,821	85,954	2,974,517	38,698
Inter-segment elimination	-	(85,954)	-	(38,698)
	3,745,821	-	2,974,517	-
			2002 HK\$'000	2001 HK\$'000 (Note 7)
Operating profit			94,453	27,215
- Steel trading, warehousing and distribution			32,350	17,652
- Steel manufacturing and processing			6,274	47,242
- Property development			10,119	6,594
- Property investment			3,664	11,559
- Metal exchange portals			(798)	(2,792)
- Others			(42,287)	(37,067)
- Unallocated expenses			103,775	70,403

- (b) Analysis by geographical segments is as follows:

	2002		2001	
	External sales HK\$'000	Internal segment sales HK\$'000	External sales HK\$'000	Internal segment sales HK\$'000
Turnover				
- Mainland China	3,367,863	-	2,750,814	-
- Hong Kong	76,546	-	41,825	-
- Asia (other than Mainland China and Hong Kong)	270,124	-	74,259	-
- Europe	1,306	-	62,504	-
- Australia	-	-	30,068	-
- Others	-	-	15,047	-
	3,745,821	-	2,974,517	-
Operating profit			131,482	82,093
- Mainland China			10,107	10,776
- Hong Kong			4,285	5,946
- Asia (other than Mainland China and Hong Kong)			(462)	2,381
- Europe			-	6,057
- Australia			650	217
- Others			(42,287)	(37,067)
- Unallocated expenses			103,775	70,403

- (3) **Operating profit**

Operating profit is stated after charging and crediting the following:-

	2002 HK\$'000	2001 HK\$'000
After charging:		
Depreciation of fixed assets	12,283	14,716
Amortisation of intangible assets	1,471	2,593
Loss on investments	1,236	2,921
Loss on disposal of fixed assets	1,278	1,327
Provision for impairment loss of long-term investments	6,807	-
After crediting:		
Gain on deemed disposal of a subsidiary	505	-

- (4) **Taxation**

	2002 HK\$'000	2001 HK\$'000
Current taxation		
- Hong Kong profits tax	954	702
- Overseas taxation	2,905	14,123
- Mainland China	71	726
- Others	-	-
	3,930	15,551
(Over)/Under provision in prior years		
- Hong Kong profits tax	(1,254)	500
- Overseas taxation	(801)	-
	(2,055)	500
	1,875	16,051
Deferred taxation		
- Write-back of net timing differences	-	(578)
	1,875	15,473
Share of taxation attributable to associates	633	(197)
	2,508	15,276

The Company is exempted from taxation in Bermuda until 2016. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income taxes. Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profit for the year. Certain subsidiaries of the Group are subject to Mainland China enterprise income tax at tax rates ranging from 15% to 33% (2001: 33%) on its taxable income determined according to Mainland China tax laws. Other overseas taxation has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

- (5) **Dividends**

	2002 HK\$'000	2001 HK\$'000
Special dividend in specie of shares in WorldMetal Holdings Limited	-	11,201
Final, proposed, of HK4 cents per ordinary share (2001: HK2 cents)	42,157	18,781
	42,157	29,982

- (6) **Earnings per share**

The calculation of basic earnings per share is based on the consolidated profit attributable to shareholders of approximately HK\$78,183,000 (2001: HK\$30,133,000) and the weighted average number of 992,805,972 shares (2001: 924,985,160 shares) in issue during the year. The calculation of diluted earnings per share is based on the consolidated profit attributable to shareholders of approximately HK\$78,183,000 (2001: HK\$30,133,000) and the weighted average number of 1,014,439,858 shares (2001: 939,983,325 shares) in issue after adjusting for the effects of all dilutive potential shares.

A reconciliation of the weighted average number of shares used in calculating the basic earnings per share and the diluted earnings per share is as follows:

	2002	2001
Weighted average number of shares used in calculating basic earnings per share	992,805,972	924,985,160
Adjustment for potential dilutive effect in respect of outstanding employee share options	21,633,886	14,998,165
Weighted average number of shares used in calculating diluted earnings per share	1,014,439,858	939,983,325

- (7) **Comparative figures**

Certain prior year comparative figures have been reclassified to conform with current year's presentation.

DIVIDEND

The Directors recommended a final dividend of HK 4 cents (2001: HK 2 cents) per share totalling approximately HK\$42,157,000 based on the total number of shares in issue at the date of the announcement of the final results. The final dividend will be payable on 24 July 2003 to shareholders whose names appear on the Register of Members of the Company at the close of business on 18 June 2003.

CLOSURE OF REGISTERS

The Register of Members of the Company will be closed from Monday, 16 June 2003 to Wednesday, 18 June 2003, both days inclusive, during which period no transfer of shares will be registered.

To qualify for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1901-05, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Friday, 13 June 2003. Transferees in Singapore may lodge their transfer documents accompanied by the relevant share certificates for registration no later than 4:00 p.m. on Friday, 13 June 2003 with the Company's Share Transfer Agent, Lim Associates (Pte) Ltd., at 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315.

MANAGEMENT DISCUSSION AND ANALYSIS

Review and Prospects

The Group attained satisfactory results in the year 2002. Turnover for the year increased by 26%, amounting to HK\$3.746 billion.

As a result of reduced contribution from the sale of properties, revenue from the Group's property business in 2002 was lower than that of 2001. However, performance of the Group's core steel business was remarkably strong, with gross profit standing at HK\$172 million, representing an increase of 123%.

Profit attributable to shareholders for the Group, after taking into provisions, share of profit of associates, net interest expenses, taxation and minority interests, recorded an increase of 159%, amounting to HK\$78.18 million, an unprecedented performance since the financial crisis in 1997.

Steel Business

Steel business remains to be the Group's traditional focus for decades. With the sustained support of our bankers, suppliers and customers, as well as our outstanding goodwill, professionalism and comprehensive competitiveness, we have been able to concentrate in the last few years on penetrating China, the largest and fastest growing steel consumption market in the world. Our vigorous efforts in extending sales channels and networks enabled us to maintain and enlarge our import share significantly in this major market.

Furthermore, the Group committed itself to marketing strategy of integrating vertically the upper, middle and lower streams, with operations in the three levels of activities of international steel trading, warehousing and logistic services as well as manufacturing and processing. This strategic approach would afford a full participation for the Group in the supply chain of the steel business.

1. **International Trading**

Sustained efforts were made by the steel trading arm of the Group to consolidate its global procurement system and to integrate the sales and distribution, and product agency, of goods from a diversity of sources. Targeted on markets in high-growth industries with special demand such as automobiles, shipbuilding, light industries and IT, the Group expanded its businesses during the year to trading of iron ores, special steel, galvanized steel plates and tin plates. The Group has entered into contracts with a number of major steel mills in China for the supply of basic raw materials. Relationship has been forged with several major end-users in eastern and southern China for joint sales and distribution. As a result, the total volume of goods sold and delivered exceeded 1.8 million tonnes. Turnover surged by 40% over last year and gross profit also achieved a significant increase.

In 2002, the volume of various types of steel imported by China exceeded 24 million tonnes. Driven by the massive infrastructure development, investment in fixed assets and strong demands from the automobile, shipping and machinery industries, it is envisaged that domestic demand for steel materials would remain keen in the next few years. Whilst its domestic supply could not meet its demand, China would still need to import large volume and product mix of steel materials with high technological input and enhanced value as well as basic raw materials. While exercising prudence in risk management, the Group will capitalize on the opportunities brought forth by China's new economic growth cycle to maintain an enhanced market share for better returns in profit.

2. Warehousing and Distribution
The Group's warehousing and distribution business continued to make substantial progress. The building-up of the high value-added warehousing logistics and distribution network embodies the long-term strategic development focus of the Group. Factors such as reduction of tariffs, abolition of restriction on import volume and the gradual opening of the domestic market to foreign companies after China's accession into the WTO, all created ample development space for the Group in striding into this vast, RMB-based sales domain. After the establishment of the warehousing and distribution centre in Shanghai, the Group added similar facilities in Guangzhou, Tianjin and Hangzhou in 2002. Another warehousing and distribution centre will be set up in Beijing in early 2003. As to the eastern and southern China, the Group has formed alliances separately with several tens of agents, wholesalers, retailers and manufacturers to furnish a full range of value-added services in transportation, custom clearance, storage, cutting and slitting and financing and had completed total sales of over 300,000 tonnes of steel products. The return was indeed highly satisfactory. It is expected that within a number of years, in addition to participating in US dollar-denominated international steel trading, foreign companies will embark on import and export operations in China and the restriction on settlements in RMB is expected to be relaxed as well. In this scenario, the Group's painstaking efforts in strategic positioning itself in China in recent years will set the scene for expanding its business in this area.

3. Manufacturing and Processing
The Group's steel manufacturing and processing business attained the best ever results in terms of production, sales and profit. The management competence of the steel pipe manufacturing plant was reinforced during the year 2002. Consequently, its competitive edge was significantly improved and operating profit increased by 83%. To further expand the production capability paving its way to form a sizable operation, the Group extended the plant and installed new production lines and ancillary facilities in the last quarter of 2002. It is expected that after the completion of the extension and installation of new machineries in May 2003, production cost would be further reduced while bringing up the productivity level substantially. Meanwhile, the Group had completed the reorganisation of an enterprise in Dongguan acquired at the beginning of 2002. To cater for market demands for cutting and slitting in high value-added products such as galvanized steel sheets, stainless steel and silicon steel sheets, the Group established a new steel coil centre. During the year, a new production line was installed and the original plant was completely revamped. Upon successful testing, commercial production was commenced at the plant in March 2003 to launch quality-approved products for distribution in the market. These two processing plants will uphold their usual required standards on quality and customer service. Coupled with stringent cost control measures, our market share will be gradually enlarged on the strength of improved production capability and increased sales. This will constitute another revenue generating sector for the Group in future.

Property Business

Property development and investment is a continuing business of the Group.

"Times Square" in Yangzhou, Jiangsu has a total gross floor area of 68,000 square metres, of which about 13,000 square metres had been sold, attributing a satisfactory return on investment. No major sales and marketing activities was conducted for the project in 2002, where overall strategy was directed instead at ensuring an all rounded and multi-sector mix of tenants for the shopping mall as well as strengthening the operation management in order to capture the growing local purchasing power. Since April 2002, after a soft operating period of less than a year, the total floor area of shops opened for business increased from 17,390 square metres to 47,000 square metres. In addition to the 300 plus shops engaged in apparels, cosmetics and jewelry, other major tenants included the "Spring Department Store", the digital cinema houses "Century Cinema City", two large Chinese restaurants under chain operation, a household electrical appliance and electronic city of the renowned "Guomei" distributor, a fun-land for children and a book city. With perfecting of the facilities for the shopping, entertaining and food & beverage functions at the mall, it is envisaged that it will be on target to make available over 54,000 square metres of shopping space in the third quarter of 2003, stepping to full operation of the mall. In 2003, there are plans to conduct sales and marketing activities at an appropriate juncture, and we also expect an enhancement of revenue both from rental and management fee.

Furthermore, the Group's investment properties in Hong Kong and Shanghai continued to contribute a stable source of rental income.

Liquidity and Financial Resources

The Group continues to be in a stable financial position with cash and bank balance of approximately HK\$314 million as at 31 December 2002 (2001: HK\$216 million). As at 31 December 2002, the Group's current ratio, as a ratio of current assets to current liabilities, was 1.56 (2001: 1.39) and the gearing ratio, as a ratio of total liabilities to total assets, was 0.55 (2001: 0.49).

In December 2002, a 3-year unsecured syndicated loan of HK\$130 million was made to provide further financial resources for the Group's business expansion. As at 31 December 2002, the bank borrowings of the Group were approximately HK\$603 million (2001: HK\$456 million). Excluding the short-term loans on trade

finance amounted to approximately HK\$287 million (2001: HK\$264 million), the maturity profile of other bank borrowings as at 31 December 2002 was as follows:

	2002 HK\$ million	2001 HK\$ million
Within one year	82	79
In the second year	42	11
In the third to fifth year	139	35
After the fifth year	53	67
	316	192

All the Group's bank borrowings were denominated in Hong Kong Dollar, US Dollar and Renminbi, bearing interest at prevailing market rates.

Contingent Liabilities

As at 31 December 2002, the Group had the following contingent liabilities: (i) guarantee for general banking facilities granted to an associate amounted to approximately HK\$21,730,000 (2001: HK\$21,730,000); (ii) Mainland China land appreciation tax amounted to approximately HK\$14,891,000 (2001: HK\$11,872,000); and (iii) guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties amounted to approximately HK\$21,220,000 (2001: HK\$9,337,000).

Capital Commitments

As at 31 December 2002, the Group had capital commitments contracted but not provided for amounted to approximately HK\$8,345,000 (2001: Nil) for the expansion of the production plants.

Charge on Assets

As at 31 December 2002, the following assets were pledged: (i) certain leasehold land and buildings with a net book value of approximately HK\$108,028,000 (2001: HK\$124,662,000); (ii) certain motor vehicles and office equipment of approximately HK\$8,396,000 (2001: HK\$3,290,000); (iii) investment properties with a net book value of approximately HK\$261,752,000 (2001: HK\$350,881,000); (iv) certain properties held for sale of approximately HK\$2,910,000 (2001: HK\$24,305,000); (v) certain short-term investments amounted to approximately HK\$5,869,000 (2001: Nil); (vi) certain inventories of approximately HK\$17,678,000 (2001: HK\$9,751,000) released under trust receipts bank loans; and (vii) bank deposits amounted to approximately HK\$40,503,000 (2001: HK\$40,790,000).

Staff

As at 31 December 2002, the Group employed 729 staff. Staff remuneration packages are structured and reviewed by reference to market terms and individual merits. The Group also provides other staff benefits which include year end double pay, contributory provident fund and medical insurance. Share options and discretionary bonus may also be granted to eligible staff based on individual and Group performance. Training programmes for staff are provided as and when required.

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

During the year ended 31 December 2002, the Company repurchased a total of 3,888,000 shares in the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the general mandate granted by the shareholders at the annual general meeting held on 6 June 2002, details of which were as follows:-

Month/Year	Number of Shares Repurchased	Price per share		Total consideration (before expense) HK\$
		Lowest HK\$	Highest HK\$	
09/2002	3,888,000	0.70	0.79	2,983,020

All shares repurchased were cancelled and accordingly the Company's issued share capital was reduced by the nominal value of these shares. The repurchases were effected for the benefit of the shareholders as a whole by enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2002.

CODE OF BEST PRACTICE

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, except that the non-executive directors are not appointed for a specific term, as they have to retire by rotation at the annual general meeting of the Company when they are due for re-election pursuant to the Bye-laws of the Company.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

A detailed results 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.

On behalf of the Board
CHAN Shing
Chairman

Hong Kong, 9 April 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of WellNet Holdings Limited (the "Company") will be held at Renaissance Harbour View Hotel, 8/F., Concord Rooms 2 & 3, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 18 June 2003 at 10:00 a.m. for the following purposes:

- To receive the Audited Accounts of the Company and the Reports of the Directors and Auditors for the year ended 31 December 2002.
- To declare a final dividend for the year ended 31 December 2002 of HK 4 cents per share.
- To re-elect retiring Directors.
- To fix the remuneration of Directors.
- To re-appoint PricewaterhouseCoopers as the Auditors and authorise the Board of Directors to fix their remuneration.
- As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"**THAT** the maximum number of Directors be fixed at fifteen and that the Directors be authorised to appoint Directors up to such maximum number in addition to those in office at the close of the 2003 Annual General Meeting."

- As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"**THAT:**

- the exercise by the Directors during the Relevant Period (as hereinafter defined in this Resolution) of all powers of the Company to purchase issued shares HK\$0.10 each in the capital of the Company ("Shares"), subject to paragraph (ii) below, be and is hereby generally and unconditionally approved;
- the aggregate nominal amount of Shares which may be purchased by the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (i) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
- the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as defined below) to procure the Company to purchase its Shares at such prices as the Directors at their discretion may determine; and
- for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - the conclusion of the next annual general meeting of the Company;
 - 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 (as amended) to be held; and
 - the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

- As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"**THAT:**

- subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined in this Resolution) of all the powers of the Company to allot, issue or deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- the approval in paragraph (i) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;

- the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted or issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (i), otherwise than pursuant to (a) a Rights Issue (as hereinafter defined in this Resolution), (b) any share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any eligible participants of shares or rights to acquire shares of the Company, (c) the exercise of rights of subscription or conversion under the terms of any warrants or convertible bonds issued by the Company or any securities which are convertible into shares of the Company or (d) 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 the Bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the approval in paragraph (i) shall be limited accordingly;
- For the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - the conclusion of the next annual general meeting of the Company;
 - 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 (as amended) to be held; and
 - the revocation or variation of the approval given by this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the Directors to holders of shares of the Company 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 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 or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong)."

- As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"**THAT** conditional upon the passing of Resolutions numbered 7 and 8 set out in the notice of annual general meeting dated 9 April 2003, the aggregate nominal amount of the shares of the Company that the Directors may allot, issue or deal with additional shares and to make or grant offers, agreements and options under the general mandate granted to the Directors pursuant to such Resolution numbered 8 be and is hereby increased by the aggregate nominal amount of shares in the share capital of the Company repurchased by the Company pursuant to and in accordance with Resolution numbered 7, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution."

- To transact any other business of the Company.

By Order of the Board
NG Lai Ping, Grace
Company Secretary

Hong Kong, 9 April 2003

Notes:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company. In the event that a member appoints more than one proxy, on a show of hands, all such proxies shall collectively have one vote unless otherwise provided for in the Bye-laws of the Company.
- A form of proxy for use at the Annual General Meeting is enclosed. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be deposited at the principal office of the Company at Unit 1402, 14th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the meeting. Completion and deposit of the form of proxy will not preclude a member from attending and voting in person.
- If two or more persons are joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the share.
- The Register of Members of the Company will be closed from Monday, 16 June 2003 to Wednesday, 18 June 2003, both days inclusive, during which period no transfer of shares will be registered. To qualify for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1901-05, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Friday, 13 June 2003. Transferees in Singapore may lodge their transfer documents accompanied by the relevant share certificates for registration no later than 4:00 p.m. on Friday, 13 June 2003 with the Company's Share Transfer Agent, Lim Associates (Pte) Ltd., at 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315.