



IMI GLOBAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2003

OPERATING RESULTS

The Board of Directors (“the Board”) of IMI Global Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the financial year ended 31st March 2003 together with comparative figures for the corresponding year in 2002 as follows:

Condensed Consolidated Income Statement

		2003 HK\$'000	2002 HK\$'000
Turnover	2	502,906	1,072,912
Cost of sales		(323,958)	(709,423)
Gross profit		178,948	363,489
Other income		5,678	5,976
Distribution costs		(52,520)	(130,606)
Administrative expenses		(55,835)	(87,036)
Profit from operations	3	76,271	151,823
Bank interest income		2,272	2,698
Finance costs		(1,717)	(6,491)
Gain on disposal of discontinuing operations	4	176,881	–
Gain on dilution of interest in an associate		6,136	–
Share of profit of an associate		3,342	–
Profit before taxation		263,185	148,030
Taxation	5	7,152	6,772
Profit before minority interests		256,033	141,258
Minority interests		(36)	163
Net profit for the year		255,997	141,421
Dividends	6	894,641	24,058
Earnings per share of HK\$0.50 each	7		
Basic		HK\$1.86	HK\$1.04
Diluted		HK\$1.86	HK\$1.03

Condensed Consolidated Balance Sheet

	2003 HK\$'000	2002 HK\$'000
Non-current assets		
Property, plant and equipment	17,976	612,140
Motion picture production	52,447	24,426
Goodwill	3,707	2,768
Interest in an associate	32,715	–
Investments in securities	19,248	1,211
	126,093	640,545
Current assets		
Inventories, at cost	–	244,558
Trade and other receivables	5,400	79,475
Amount due from an associate	8,348	–
Taxation recoverable	20,760	5,030
Pledged bank deposit	24,200	–
Bank balances and cash	107,149	156,007
	165,857	485,070
Current liabilities		
Trade and other payables	4,769	110,830
Taxation payable	7,505	5,594
Obligations under finance leases – due within one year	2,605	10,338
Bank borrowings – due within one year	39,038	65,838
	53,917	192,600
Net current assets	111,940	292,470
Total assets less current liabilities	238,033	933,015
Minority interests	279	748
Non-current liabilities		
Obligations under finance leases - due after one year	647	7,175
Bank borrowings – due after one year	–	49,500
Deferred taxation	–	518
	647	57,193
NET ASSETS	237,107	875,074
CAPITAL AND RESERVES		
Share capital	68,819	68,799
Reserves	168,288	806,275
	237,107	875,074

Notes:

- Adoption of new and revised statements of standard accounting practice**
During the financial year, the Group has adopted for the first time a number of new and revised Statement of Standard Accounting Practice (“SSAP”) in the preparation of these financial statements:

SSAP 11 (Revised):	Foreign Currency Translation
SSAP 15 (Revised):	Cash Flow Statements
SSAP 33:	Discontinuing Operations
SSAP 34:	Employee Benefits

Adoption of the new or revised standards during the year has no material effect on the Group’s financial statements for the current and prior periods except for the changes in presentation of the consolidated cash flow statement and the consolidated statement of changes in equity. Accordingly, no prior year adjustment has been required.

2. Segmental Information

Analysis of the Group’s turnover and contribution to operating results by business segments is as follows:

Business segments

During the year, the Group is organised into four operating divisions, which form the basis on which the Group reports its primary segmental information:

Computer graphics animation pictures – production and licensing of computer graphics animation pictures

Management consultancy services – provision of management consultancy services

Until, and including, 22nd August 2002, the Group was also involved in the manufacture and sale of artificial Christmas trees and accessories and leisure furniture (see note 4).

Segmental information about these businesses is presented below.

For the year ended 31st March 2003

	Continuing operations		Discontinuing operations		
	Computer graphics animation pictures HK\$'000	Management consultancy services HK\$'000	Christmas trees HK\$'000	Leisure furniture HK\$'000	Consolidated HK\$'000
TURNOVER					
External sales	15,316	11,270	420,863	55,457	502,906
RESULT					
Segment results	7,573	1,719	109,611 (Note)	7,525	126,428
Other income					5,678
Unallocated corporate expenses					(55,835)
Profit from operations					76,271
Bank interest income					2,272
Finance costs					(1,717)
Gain on disposal of discontinuing operations					176,881
Gain on dilution of interest in an associate					6,136
Share of profit of an associate					3,342
Profit before taxation					263,185
Taxation					(7,152)
Profit before minority interests					256,033

Note: The segment results for this segment differ from the amount disclosed in the Company’s interim report for the six months ended 30th September 2002 by approximately HK\$6,481,000 because of a recovery from the Group’s associate of an unutilised provision of distribution costs related to the period from 1st April 2002 to 22nd August 2002.

For the year ended 31st March 2002

	Continuing operations		Discontinuing operations		
	Computer graphics animation pictures HK\$'000	Management consultancy services HK\$'000	Christmas trees HK\$'000	Leisure furniture HK\$'000	Consolidated HK\$'000
TURNOVER					
External sales	1,560	–	882,727	188,625	1,072,912
RESULT					
Segment results	1,346	–	211,716	19,821	232,883
Other income					5,976
Unallocated corporate expenses					(87,036)
Profit from operations					151,823
Bank interest income					2,698
Finance costs					(6,491)
Profit before taxation					148,030
Taxation					(6,772)
Profit before minority interests					141,258

Geographical segments

Analysis of the Group’s turnover by geographical market is as follows:

	Total turnover		Contribution to operating results	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
North America	359,136	868,654	92,005	179,041
United Kingdom and Continental Europe	103,618	169,163	23,665	44,848
Asia Pacific	37,292	33,243	9,868	8,700
Others	2,860	1,852	890	294
	502,906	1,072,912	126,428	232,883
Unallocated corporate expenses			5,678 (55,835)	5,976 (87,036)
Profit from operations			76,271	151,823

3. Profit from operations		
Profit from operations has been arrived at after charging:		
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Directors' remuneration	12,331	13,430
Other staff costs	106,036	146,639
Total staff costs	118,367	160,069
Less: amounts capitalised in motion picture production	(13,896)	(11,112)
	104,471	148,957
Depreciation and amortisation of property, plant and equipment		
– assets owned by the Group	19,578	41,874
– assets held under finance leases	1,884	439
	21,462	42,313
Less: amounts capitalised in motion picture production	(3,440)	(1,743)
	18,022	40,570
Rentals in respect of premises under operating leases	2,689	5,866
Less: amounts capitalised in motion picture production	(1,183)	(808)
	1,506	5,058
Auditors' remuneration:		
Current year	1,040	1,075
Underprovision in previous year	98	–
Amortisation of goodwill	392	314
Amortisation of motion picture production	7,653	213
Loss on disposal of property, plant and equipment	247	1,278
and after crediting:		
Amortisation of discount on held-to-maturity debt securities	1,301	–

- 4. Discontinuing Operations**
During the year, the Group entered into certain agreements with Boto International Holdings Limited (“BIHL” and formerly known as Greenland Investments Holdings Limited), a company incorporated in the British Virgin Islands, under which the Group agreed to sell certain subsidiaries, businesses and assets of the Group, which together effectively constituted the Group’s Christmas festive products and leisure furniture businesses (the “Disposal”).
- The aggregate consideration for the above Disposal amounted to approximately HK\$1,077,500,000 before a post completion price adjustment of approximately HK\$33,506,000 in accordance with the Disposal agreements, resulting in a gain on disposal of these businesses of approximately HK\$176,881,000. The Disposal was completed on 23rd August 2002, on which date control of these businesses was passed to the acquirer. Details of the Disposal were set out in the circular of the Company dated 2nd August 2002.
- In addition, the Group entered into a subscription agreement to acquire a 25% equity interest in BIHL at a consideration of approximately HK\$88 million. The subscription was completed on 22nd August 2002.

5. Taxation		
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax		
The Company and its subsidiaries		
Current year's provision	5,912	6,450
Overprovision in prior years	–	(782)
	5,912	5,668
Associate	323	–
	6,235	5,668
Overseas tax		
The Company and its subsidiaries	403	1,104
Associate	786	–
	1,189	1,104
Deferred taxation		
The Company and its subsidiaries	(518)	–
Associate	246	–
	(272)	–
	7,152	6,772

Hong Kong Profits Tax is calculated at 16% of the estimated assessable profits for the year.

A portion of the Group’s profit 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.

Overseas tax is calculated at the tax rates prevailing in the respective jurisdictions.

In connection with a tax field audit, the Inland Revenue Department in Hong Kong (“IRD”) issued Notices of Additional/Estimated Assessment to two subsidiaries and one former subsidiary of the Company (the “Subsidiaries”) during the period from March 2001 to March 2003. Objections were lodged by the Subsidiaries and holdovers of the taxes in dispute were granted by the IRD pending determination of the tax field audit result. The Additional/Estimated Assessments were mainly relating to the Group’s income derived from its operations performed outside of Hong Kong.

Up to the balance sheet date, the taxes demanded under the Additional/Estimated Assessments amounted to an aggregate sum of HK\$117,165,000. Subsequent to the Subsidiaries’ lodgment of objections against such Assessments, the IRD has granted both conditional and unconditional holdover of the taxes demanded, and the conditions stipulated were the placing with the IRD a sum of HK\$20,730,000 by cash deposit and the purchase of tax reserve certificates together with a further sum of HK\$24,200,000 by the issue of a bank guarantee, which is secured by a bank deposit of the same amount.

Although the outcome of this matter cannot be determined with reasonable certainty at this stage, the Company’s directors consider that the Group had properly reported all of its taxable income derived in Hong Kong to the IRD previously and therefore are not in agreement to the Additional/Estimated Assessments. Accordingly, the amount placed by cash deposit and by the purchase of tax reserve certificates up to the balance sheet date have been recorded as taxation recoverable and no provision for additional tax in relation to this tax field audit has been made in the financial statements.

6. Dividends		
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Special dividend of HK\$0.26 per share of HK\$0.02 each (2002: nil) (<i>Note a</i>)	894,641	–
Interim dividend paid – nil (2002: HK0.7 cents per share of HK\$0.02 each)	–	23,844
Underprovision of final dividend arising from share options (<i>Note b</i>)	–	214
	894,641	24,058

- Notes:*
- (a) On 4th September 2002, a special cash dividend of HK\$0.26 per share of HK\$0.02 each was paid to shareholders whose names appeared on the Register of Members of the Company on the record date of 30th August 2002.
- (b) The amount represented the underprovision for the additional 2001 final dividend arising from the issue of 11,900,000 new shares in the Company subsequent to 31st March 2001 which ranked for the final dividend for 2001.

7. Earnings Per Share		
The calculation of the basic and diluted earnings per share of HK\$0.50 each is based on the following data:		
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Earnings:</i>		
Net profit for the year	255,997	141,421
Effect of dilutive potential ordinary shares in respect of interest on and provision for premium payable on redemption of convertible notes	–	16
Earnings for the purposes of diluted earnings per share of HK\$0.50 each	255,997	141,437
<i>Number of shares:</i>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	137,623,521	136,602,808
Effect of dilutive potential ordinary shares in respect of		
Convertible notes	–	110,439
Share options	5,365	361,959
Weighted average number of ordinary shares for the purposes of diluted earnings per share of HK\$0.50 each	137,628,886	137,075,206
Earnings per share of HK\$0.50 each		
Basic	HK\$1.86	HK\$1.04
Diluted	HK\$1.86	HK\$1.03

FINAL DIVIDEND
The Board does not recommend the payment of a final dividend for the year ended 31st March 2003.

MANAGEMENT DISCUSSION AND ANALYSIS
Business Review
On 23rd August 2002 the Company disposed of the Group’s Christmas festive products business and the leisure furniture business (“the Disposal”) to BIHL with the resolution approving the Disposal duly passed by the Shareholders of the Company at the First Special General Meeting held on 19th August 2002. BIHL is owned as to 22.5% by the Company through its wholly owned subsidiary Topway Asset Limited at balance sheet date. Following the Disposal, the development in its computer graphics (“CG”) animation business becomes the key focus of the Group from 23rd August 2002 onwards.

As a result of the Disposal, sales of the Christmas festive products and leisure furniture ceased contribution to the turnover of the Group from 23rd August 2002, and such sales for the applicable period only accounted for the first 144 days of the financial year. The Group’s total turnover for the year therefore decreased by 53.1% to HK\$502.9 million.

Gross profit margin for the year rose from 33.9% to 35.6%. This was mainly attributed to the CG animation pictures business and the provision of management consultancy services which had attained a gross profit margin of 50.0% and 15.3% respectively. Nevertheless, these appealing margins were adversely affected by the decline in gross profit margin from the sale of Christmas festive products resulted from the 4.5% decrease in average selling prices under competitive pressure and the 40% increase in labour cost in the People’s Republic of China under the new stringent labour benefits legislation for the period prior to the Disposal.

Profit attributable to shareholders amounted to approximately HK\$256.0 million, a significant increase of 81.0%, and this was mainly brought about by the Disposal from which the Group gained a profit of HK\$177 million, net of HK\$63.6 million unrealised gain attributed to the Group’s continued holding of 22.5% of the interest in BIHL. Post-completion adjustments were made to the gain on the Disposal after 30th September 2002, which included a recovery of operating expenses of HK\$6.5 million and a write-off of non-disposal capital assets of HK\$13.9 million in relation to the Christmas trees business.

Christmas Festive Products
Sale of artificial Christmas festive products accounted for the majority of the turnover of the Group during the period prior to the disposal date, with turnover generated from this discontinued business amounted to HK\$420.9 million, a decrease of 52.3%, or HK\$461.9 million.

Leisure Furniture
Contributing to 11.0% of the total turnover, sale of leisure furniture recorded a decrease of 70.6% from HK\$188.6 million to HK\$55.5 million.

Motion Pictures
Royalty income from the licensing of the distribution and broadcasting rights over “Zentrix™”, the Group’s first CG animation television series of 26 episodes, amounted to HK\$15.3 million for the year ended 31st March 2003, which was 10 times the turnover for the same core business last year. This significant achievement was attributed to the extended licensing territories beyond Europe, Middle East and Africa to including Latin America and Japan.

Management Consultancy Services
Turnover from this business segment amounted to HK\$11.3 million and was mainly generated from the consultancy agreement entered into by the Group with BIHL for the provision of consultancy services by the Group’s senior executives both in Hong Kong and overseas and the provision of project management services in Japan.

Honours and Awards
Intermedia-globe Silver Award
“Zentrix™” continues to make achievement in the industry and received a further international award in May 2003. In the World Media Festival 2003 held in Hamburg, Germany on 14th May 2003, “Zentrix™” won the intermedia-globe Silver Award in the Children’s-Animation category.

The festival is a global competition for modern media which aims to honour those productions that are endowed with quality artistic and technical skills and could effectively communicate their messages across to the intended target-groups. Entries from 24 countries, including Britain, Canada, France, Germany, Japan and the USA, were judged by independent international experts in Germany and other countries.

Hong Kong Digital Entertainment Excellence Awards
In addition to international awards, “Zentrix™” is also well acknowledged in the local industry. On 6th May 2003 “Zentrix™” received the “Gold Prize” Award in the category of Computer Animation presented by The Honourable Henry Tang Ying-yen, Secretary for Commerce, Industry and Technology of the Hong Kong Special Administration Region in the Hong Kong Digital Entertainment Excellence Awards (“HKDEEA”).

The HKDEEA is Hong Kong’s first digital entertainment excellence award. It is the highest recognition and appreciation of excellence and professionalism for the Hong Kong digital entertainment industry, and winners were selected on the basis of originality, creativity, entertainment value, technology and business potential.

This award is jointly organized by the Commerce, Industry and Technology Bureau of the Government of the Hong Kong Special Administrative Region, the Hong Kong Productivity Council, the Hong Kong Digital Entertainment Association and WTIA and sponsored by Cyberport, Hutchison Telecom, Sony Computer Entertainment HK Limited and XBOX.

Prospects

To enhance our global presence in the digital animation and entertainment industry and thereby increase the shareholders' value, the Group has been aggressively marketing its first animation production “Zentrix™” to different parts of the world and has made tremendous success during the year.

Subsequent to the license agreement with M6 Droits AudioVisuels, a French broadcaster, in December 2001 for the licensing of distribution and broadcasting rights of “Zentrix™” in the European, Middle East and Africa territories, further in September 2002, Imagi (Zentrix) Licensing B.V. (“IZLBV”), a wholly-owned subsidiary of the Group, entered into a licensing agreement with Televis Entertainment, a TV programming distributor based in Beverly Hills, the USA, for the broadcasting and merchandising distribution rights of “Zentrix™” in the territory of Latin America. Then later in December 2002, IZLBV entered into a further license agreement (the “Agreement”) with Bandai Co., Ltd. (“Bandai”), a global leader in toys manufacturing and electronic gaming, for the licensing of “Zentrix™” in Japan, which enables “Zentrix™” to be broadcasted on television and distributed in all media format in the territory.

“Zentrix™” was first screened in Japan on BS-2 channel of NHK on 5th April 2003, Saturday 8:05 a.m. Kung-fu styled fighting scenes comprised of 3-Dimensional animated robots and dynamic visual effects were found particularly unique and fascinating by Japanese viewers. The main theme song “Change the Future”, written and sung by B'z, a reputable band in Japan, was especially popular in Japan.

The Agreement with Bandai, also entitles the creative characters embraced in the television series to be further incorporated into TV console games for worldwide release. This business alliance can help position the Group's CG animated productions in the dynamic and creative entertainment industry of the territory and augment its corporate presence in Japan.

When “Zentrix™” was broadcasted at M6, a leading French TV channel, on Sundays in September 2002 through to February 2003, it received a very good rating in terms of the number of viewers and the quality of production. The average children audience share for “Zentrix™” was 24.2% compared to that for other kids' programmes on the same days of 22.7%. It gained a 9.2 rating and a 35.7 share on Sunday, 20th October 2002 and was once the No.1 kids' program at M6 during the broadcasting period. The television series is also expected to be on air from Monday to Friday at 4:30 p.m. at the children's channel Super RTL in Germany by the end of September 2003.

At present, the Group is progressively negotiating with another two potential distributors for the broadcasting and distribution rights of “Zentrix™” in the Asia Pacific region (excluding Japan and Oceania countries) and North America respectively.

In addition to our own proprietary projects, the Group is also in the advanced stage in finalising some agreements with the world-renowned studios in the United States of America and Japan in respect of the co-production business opportunities. These alliances not only can help strengthen the Group's financial position but also enhance the Group's technology and skills in the CG animation production through sharing of experience and exchange of technical knowledge.

This break-through and great success in the CG animation business has evidenced that the Group is approaching its mission as a leader in the digital animation and entertainment industry in Asia, and the Group is confident about the prospects of its future development and therefore bringing in high growth returns to its shareholders.

Liquidity and Capital Resources

The Group generally finances its operations with internally generated cash flows and banking facilities. As at 31st March 2003, the Group had available aggregate banking facilities of HK\$69.8 million of which approximately HK\$42.3 million was utilized. The Group's cash deposits and bank balances as at that date amounted to HK\$131.3 million. The Board believes that the Group has sufficient financial resources to discharge its debts and to finance its operations and capital expenditures.

Further, the Group has maintained a sound capital structure. It achieved a current ratio of 3.1 and has no long-term liabilities as of the year end date.

Human Resources

As at 31st March 2003, the Group has more than 120 full-time employees. The Group's employees are remunerated according to the nature of their duties and the market trends, with incentives offered in the form of bonuses and share options based on individual performance.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 6th August 2003 to 8th August 2003, both days inclusive, during which period no transfer of shares will be effected.

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

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

AUDIT COMMITTEE

The Audit Committee meets regularly with the Group's senior management and the external auditors to consider and review the Group's financial statements, the nature and scope of audit reviews, and the effectiveness of the system of internal control and compliance and to make recommendations to the Board. The members of the Audit Committee are Mr. Oh Kok Chi (Chairman of the Committee) and Mr. Alexander Reid Hamilton.

CHANGE OF COMPANY NAME AND SHARE CONSOLIDATION

The Board announced on 19th November 2002 that the Certificate of Incorporation on Change of Name of the Company was issued by the Registrar of Companies in Bermuda which evidenced the change of Company name to IMI Global Holdings Limited with effect from 13th November 2002. The Share Consolidation, as a result, was taken place with effect from 21st November 2002.

CODE OF BEST PRACTICE

None of the Company's Directors are aware of any information that would reasonably indicate that the Company is not, or was not for any part of the period covered by this announcement, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

All information pertaining to results of the Group for the financial year ended 31st March 2003 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 of Hong Kong Limited in due course.

On behalf of the Board
Kao Cheung Chong, Michael
Chairman and Managing Director

Hong Kong, 4th July 2003

Website: www.imiglobal.com.hk

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2003 Annual General Meeting of the Company will be held at Units 1909-12, 19/F., Eight Commercial Tower, 8 Sun Yip Street, Chai Wan, Hong Kong on 8th August 2003 at 3:00 p.m. for the following purposes:

- To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st March 2003;
- To re-elect directors and to authorise the Board of Directors to fix their remuneration;
- To re-appoint the Auditors, Deloitte Touche Tohmatsu, and to authorise the Board of Directors to fix their remuneration;
- By way of special business, to consider and if thought fit, pass with or without modification the following resolutions as ordinary resolutions;

(I) **“THAT:**

- subject to paragraph (b) of this Resolution, a general mandate be and is hereby unconditionally given to Directors of the Company to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to allot, issue, dispose of or otherwise deal with the shares in the capital of the Company (including making and granting offers, agreements and options which would or might require the exercise of such powers, whether during the continuance for the Relevant Period or thereafter); (Note (2))
- the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted or dealt with pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period, otherwise than pursuant to the following, shall not exceed 20% 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 approval shall be limited accordingly:
 - a rights issue where allotment, issue or grant of shares are made pursuant to an offer of shares in the Company for a period fixed by the Directors to shareholders whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as appropriate, to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in, or in any territory applicable to the Company);
 - an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company;
 - the exercise of rights of subscription or conversion attaching to any warrants or convertible notes issued by the Company or any securities which are convertible into shares of the Company;
 - any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the Bye-laws of the Company; and
- for the purpose 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 any applicable laws to be held; or

- the revocation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting”.

(II) **“THAT:**

- subject to paragraph (b) of this Resolution, the exercise by Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange (as amended from time to time), be and is hereby generally and unconditionally approved and authorised; (Note (2))
- the aggregate nominal amount of the securities of the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the nominal amount of the respective securities of the Company in issue as at the date of passing this Resolution and the approval pursuant to paragraph (a) shall be limited accordingly; and
- for the purpose 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 any applicable laws to be held; or
 - the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting”.

- (III) **“THAT** conditionally upon Resolutions Number 4(I) and 4(II) being passed, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with the shares in the capital of the Company pursuant to Resolution 4(I) be and is hereby extended by the addition to the aggregate nominal value of the share capital which may be allotted by Directors pursuant to such general mandate an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 4(II), provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

By Order of the Board
Philip Lam
Company Secretary

Hong Kong, 4th July 2003

Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- An Explanatory Statement in relation to Resolutions 4(I) and 4(II) will be sent to shareholders and other persons who are entitled thereto together with the Annual Report of Company for the year ended 31st March 2003.