



GLOBAL TREND INTELLIGENT TECHNOLOGIES LIMITED

騰達智能科技有限公司*

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

On behalf of the Board of Directors (the "Board") of Global Trend Intelligent Technologies Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2002.

		2002	2001
	Notes	HK\$'000	HK\$'000
TURNOVER	3	212,372	207,689
Cost of sales		(139,191)	(136,104)
Gross profit		73,181	71,585
Other revenue		255	183
Selling and distribution expenses		(3,237)	(3,042)
Administrative expenses		(6,898)	(7,818)
Other operating expenses		(2,971)	(4,274)
PROFIT FROM OPERATING ACTIVITIES BEFORE TAX	5	60,330	56,634
Tax	6	(16,910)	(15,725)
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		43,420	40,909
DIVIDENDS	7		
Interim		-	30,000
Proposed final		9,292	-
		9,292	30,000
EARNINGS PER SHARE	8		
Basic		HK12.2 cents	HK13.5 cents
Diluted		HK12.2 cents	N/A

Notes:

1. GROUP REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 14 August 2001 under the Companies Law (Revised) of the Cayman Islands. Pursuant to a reorganisation scheme (the "Group Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 6 June 2002. This was accomplished by the Company acquiring the entire issued share capital of Isuperior Technology Limited ("Isuperior"), the then holding company of the other subsidiaries of the Company, in consideration for the allotment and issue of the Company's shares, credited as fully paid, to the former shareholders of Isuperior. Further details of the Group Reorganisation are set out in the Company's prospectus dated 18 June 2002.

2. BASIS OF PRESENTATION

The Group Reorganisation involved companies under common control. The consolidated financial statements have been prepared using the merger basis of accounting in accordance with Statement of Standard Accounting Practice No. 27 "Accounting for group reconstructions" as a result of the Group Reorganisation. On this basis, the Company has been treated as the holding company of its subsidiaries for the financial years presented rather than from the date of its acquisition of the subsidiaries. Accordingly, the consolidated results of the Group for the years ended 31 December 2002 and 2001 include the results of the Company and its subsidiaries with effect from 1 January 2001 or since their respective dates of incorporation, establishment or acquisition, where this is a shorter period. The comparative consolidated balance sheet as at 31 December 2001 has been prepared on the basis that the existing Group had been in place at that date.

In the opinion of the directors, the consolidated financial statements prepared on the above basis present more fairly the results and the state of affairs of the Group as a whole.

All significant intercompany transactions and balances within the Group have been eliminated in the preparation of the consolidated financial statements.

3. TURNOVER

Turnover represents an appropriate proportion of the contract revenue of intelligent building contracts; the net invoiced value of goods sold, after allowances for returns and trade discounts; and the value of services rendered during the year. All significant intra-Group transactions have been eliminated on consolidation.

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segment; and (b) on a secondary segment reporting basis, by geographical segment.

(a) Business segments

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- the intelligent building projects (the "IB Projects") segment engages in the provision of advisory and management services, and the distribution of hardware and software for intelligent building projects; and
- the trading of intelligent building equipment, software and accessories segment engages in the trading of equipment, software and accessories.

During the year, over 90% of the Group's revenue, results, assets and liabilities were attributable to the IB Projects segment, therefore no further analysis by business segment is presented.

(b) Geographical segments

During the year, all of the Group's revenue, results, assets and liabilities were attributable to the geographical segment of customers based in the PRC except Hong Kong.

5. PROFIT FROM OPERATING ACTIVITIES BEFORE TAX

The Group's profit from operating activities before tax is arrived at after charging/(crediting):

	2002	2001
	HK\$'000	HK\$'000
Cost of inventories sold	119,161	118,818
Cost of services rendered	20,030	17,286
Depreciation	1,503	1,453
Research and development costs:		
Deferred expenditure amortised	3,677	2,548
Current year expenditure	1,790	4,248
Amortisation of goodwill	53	26
Interest income	(255)	(132)

6. TAX

	Group	
	2002	2001
	HK\$'000	HK\$'000
Current year provision:		
Hong Kong	-	-
Macau	3,512	4,131
Elsewhere in the PRC	13,398	11,594
Tax charge for the year	16,910	15,725

No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2001: Nil). Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. DIVIDENDS

	2002	2001
	HK\$'000	HK\$'000
Interim	-	30,000
Proposed final - HK2.3 cents per ordinary share	9,292	-
	9,292	30,000

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The interim dividend declared and paid for the year ended 31 December 2001 were paid by a subsidiary of the Company to its then shareholders prior to the Group Reorganisation are set out in note 1 above.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's net profit from ordinary activities attributable to shareholders for the year of HK\$43,420,000 (2001: HK\$40,909,000) and the weighted average of 355,298,630 (2001: 303,000,000) ordinary shares in issue during the year.

The weighted average number of ordinary shares used to calculate the basic earnings per share for the year ended 31 December 2001 includes the pro forma issued share capital of the Company, comprising 10,000,000 ordinary shares issued nil paid on the incorporation of the Company (as subsequently subdivided), 10,000,000 ordinary shares issued for the acquisition of the entire issued share capital of Isuperior and the capitalisation issue of 283,000,000 ordinary shares. The weighted average number of ordinary shares used to calculate the basic earnings per share for the year ended 31 December 2002 also includes the additional 101,000,000 ordinary shares issued upon the listing of the Company's shares on the Stock Exchange on 28 June 2002.

The calculation of diluted earnings per share for the year ended 31 December 2002 is based on the Group's net profit from ordinary activities attributable to shareholders for the year of HK\$43,420,000. The number of ordinary shares used in the calculation is the weighted average of 355,298,630 ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average of 902,998 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the year.

There were no potential dilutive ordinary shares in existence for the year ended 31 December 2001 and accordingly, no diluted earnings per share amount has been presented for that year.

9. RESERVES

	Total
	HK\$'000
Group	
At 1 January 2001	38,715
Net profit for the year	40,909
Interim dividend	(30,000)
	49,624
At 31 December 2001 and 1 January 2002	74,740
New issue of shares	(2,830)
Capitalisation issue of shares	(18,282)
Share issue expenses	43,420
Net profit for the year	146,672
At 31 December 2002	146,672

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's audited turnover and net profit from ordinary activities attributable to shareholders for the year ended 31 December 2002 were approximately HK\$212.4 million and HK\$43.4 million respectively, representing an increase of approximately 2.3% and 6.1% respectively as compared to last year. Over 90% of the Group's turnover was generated from the provision of advisory and management services for the Intelligent Building ("IB") Projects in the PRC. The Group's overall gross profit margin was approximately 34.5% for the year under review, similar to that of last year. Increase in net profit from ordinary activities attributable to shareholders this year was mainly due to the Group's strict cost control strategy.

The basic earnings per share of the Group for the year was HK12.2 cents, decreased by approximately 9.6% as compared with previous year (2001: HK13.5 cents). This decrease was mainly attributable to the increase of ordinary shares of the Company from its successfully Share Offer in Hong Kong at 28 June 2002.

GROUP'S INTELLIGENT PRODUCTS

As intelligent building are the trend of the 21 century in the PRC, which is strongly supported by the PRC government in its "tenth five-year plan", the Group was actively to invest in the research and development of new and innovative products to meet the enormous demand for intelligent buildings in the PRC during the year under review. These projects include:

Trend PMS 2000 version 1.0

Trend PMS 2000 version 1.0 ("Trend PMS") was successfully developed and officially launched in July 2002. Trend PMS, an Intelligent Home Community property management system, enables property managers to provide composite communication and information services to occupants and to manage the properties efficiently through an automated communal property management system. This new system enables the Group to extend its advisory and management services for the IB Projects to customers in the residential sector. This new product was wholly financed with the Group's internally generated resources.

In January 2003, the Group bundled the TREND BMS and TREND PMS into one large system, TREND IBMS 2002, according to the market response and client's needs. TREND IBMS 2002 can be applied into all kinds of IB projects in all commercial buildings, residential communities, factories and the like. At present, TREND IBMS 2002 had already been applied into several IB projects and the Group received excellent comments on them from our customers.

Simultaneously, TREND IBMS 2002 had already been accredited several awards, including 指定為科技部"國家火炬計劃項目"、建設部"科技成果認定"、信息產業部"科技成果認定"、建設部"國家康居示范工程"指定產品。

Web Camera

Web Camera, another new product, was under its final stage of development in 2002. During the second half of 2002, the Group realized there was another new technique that could further upgrade Web Camera's function. Therefore, the Group decided to utilize this one of the most advanced MPEG4 compress technique in Web Camera. Now, Web Camera, with the most sophisticated MPEG4 compress technique, can capture, collect and transmit mass pictures with high resolutions on real time. It is designed for occupants of an intelligent building or an Intelligent Home Community to monitor the occupants' units or public area in local or remote site. It can also be used in bank, military, hospital, remote education, sports games, government, traffic, ports, docks, etc for security and surveillance of digital, networking and intelligent multi-media. In March 2003, the Web Camera had successfully been launched.

Intelligent Video Surveillance System (IVSS)

During the second half of 2002, the Group adopted the core techniques of the Web Camera to innovate a new system IVSS. This Intelligent Video Surveillance System includes ViBox and ViCasting. Therefore, the Group rename ViBox as Trend ViBox for hardware and Trend ViCasting for software. Trend ViBox and Trend ViCasting are two new series of Web Camera. They had been launched in March 2003.

Trend ViBox, with the most advanced MPEG4 compress technique and process technique of the Web Camera, possesses built-in Linux operational system. Therefore, it can support local mass hardware storage. Trend ViBox is really an independent digital, networking, intelligent multimedia stream server. It can be modified into suitable products to meet different surveillance market segments.

Trend ViCasting, a comprehensive and complicated software system, put multi-media technologies into practical. It can transmit, show, save and search digitalized pictures via intranet and internet transmission. It works with other hardwares to form different products and application. At present, Trend ViCasting and Trend ViBox is a perfect combination to be Multi-Media Streaming Server.

As at the report date, the Group receives positive response from market on Web Camera and Multi-Media Streaming Server.

SALES NETWORK

With PRC's overall sustainable positive economic growth, its entry into the World Trade Organization, and the hosting of the 2008 Olympic Games in Beijing, the Group foresee there will be tremendous market opportunities in IB industry in PRC, especially in Shanghai and Beijing. Therefore, the Group decided to take aggressive business strategies to commercialize its products, bringing positive returns to its shareholders. In November 2002, the Group had entered a contract with a property developer to purchase a more advanced office with high-tech showroom. This purchase was wholly financed by the Group's internal resources. The gross floor area of this office is approximately 1,905 square meter. It situates at a newly multi-media commercial building in Shanghai. Its showroom not only can house more salesman, but also enable the Group's salesman to demonstrate our products to our clients in details in a simple and comfortable way. In future, this office will be the headquarter of the Group's sales points all over PRC cities. At the report date, the Group is in the progress to get the property certificate for this office. It was surely believed that this property certificate will be obtained in May 2003. The Group deeply believed the sales in future will increase a lot with this advanced and comfortable office.

In October 2002, the Group simultaneously set up two sales offices in other PRC cities to expand its sales network. One is in Beijing and the other one is in Nanjing. Beijing sales office is responsible for sales in North China while the Nanjing sales office is responsible for sales in Jiangsu Province. The establishment of these two sales offices was financed with some of the IPO proceeds, as set out at the "Utilisation of net proceeds from the new issue" in this Management Discussion & Analysis.

The Group confidently believed that our smart sales team, the fluent market operation and the greatest market opportunities in PRC will bring fruitful contribution to the Group in 2003.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains its good financial position with cash and bank balances of approximately HK\$76.4 million as at 31 December 2002 (2001: HK\$9.7 million). The cash and bank balances increased significantly by approximately HK\$66.7 million was mainly attributable to the net proceeds from the Company's share offer on 28 June 2002 and profits from operations during the year under review.

At 31 December 2002, the Group had total assets of approximately HK\$221.8 million, which were financed by current liabilities and shareholders' equity of approximately HK\$71.1 million and HK\$150.7 million, respectively.

At 31 December 2002, the Group's current ratio, being a ratio of current assets to current liabilities, was approximately 2.0 (2001: 1.3) and the Group's gearing ratio, being a ratio of total liabilities to total assets, was approximately 0.32 (2001: 0.53). To the report date, the Group did not have any bank borrowing or long term debts.

The Directors believe that the Group has a healthy financial position and has sufficient resources to satisfy its present requirements.

THE CAPITAL STRUCTURE, FUNDING AND TREASURY POLICIES OF THE GROUP

Other than 101,000,000 shares of the Company, which had been issued under the Share Offer (as per Prospectus dated 18 June 2002), the Group has no other type of capital instruments. The Group intends to finance its operation with its internal resources and the net proceeds from the New Issue (as defined in the Prospectus dated 18 June 2002).

RISK OF CURRENCY FLUCTUATION

The Group's business transactions are mainly denominated in Renminbi and United States dollars. The Directors consider that the Group has no significant exposure to foreign exchange fluctuations in view of the stability of Renminbi and United States dollars. During the year under review, the Group did not engage in any hedging activities.

The Group continued to adopt a prudent policy on financial risk management and had no material exposure to fluctuation in exchange rate.

DETAILS OF CHARGES ON GROUP ASSETS

During the year under review, the Group had no bank borrowings, no assets pledged and no interest expenses incurred.

FUTURE PLANS FOR MATERIAL INVESTMENTS/CAPITAL ASSETS

Except the future plans as disclosed in the paragraph of "Prospects" in the chairman's statement of the Group's Annual Report 2002 and in the paragraph of "Future plans and prospects" in the Prospectus dated 18 June 2002, and the acquisition of Shanghai Offices (as mentioned above in Sales Network), the Group had no other future plans for material investments or capital assets as at 31 December 2002.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 December 2002 (2001: Nil).

EMPLOYEES' REMUNERATION POLICY

At 31 December 2002, the Group has a total of 122 staffs in Hong Kong and the PRC. The Group recognises the importance of human resources to its success. Remuneration of employees is maintained at competitive levels, commensurate with their responsibilities, performance and contribution. Other staff benefits provided by the Group include mandatory provident fund and insurance schemes.

At 31 December 2002, the Company granted share options on 7 November 2002 to certain eligible participants to acquire a total of 40.4 million ordinary shares of HK\$0.01 each in the capital of the Company at exercise price HK\$0.295 per share. The share options are exercisable from 8 November 2002 to 4 November 2005, both dates inclusive. At the date of this report, all share options remained unexercised.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new ordinary shares at the time of its listing on the Stock Exchange on 28 June 2002, after deduction of related issuance expenses, amounted to approximately HK\$57.4 million. These proceeds were partially applied during the period ended 31 December 2002 in accordance with the proposed applications set out in the Company's prospectus dated 18 June 2002, as follows:

- as to approximately HK\$0.3 million for the establishment of sales offices, including the purchase of office equipment, rental for offices and recruitment of staff in major cities in the People's Republic of China (the "PRC") including Beijing and Nanjing;
- as to approximately HK\$0.6 million for promotion and marketing activities including participation in seminars and exhibitions and advertising;
- as to approximately HK\$7.0 million for research and development relating to the application of Intelligent Building solutions to other market segments, including home communities and infrastructure projects;
- as to approximately HK\$9.2 million for research and development relating to the continuous improvement and upgrading of the Group's existing products for Intelligent Buildings with the latest Intelligent Technologies;
- as to approximately HK\$8.0 million for research and development relating to the development of new products and applications for Intelligent Technologies; and
- as to balance of approximately HK\$8.0 million as additional working capital of the Group.

The balance of the proceeds of approximately HK\$24.3 million was placed on short term deposits with banks in Hong Kong and the PRC as at 31 December 2002.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK2.3 cents per share for the year ended 31 December 2002. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting, the final dividend will be payable on 17 June 2003.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company, will be closed from 28 May 2003 to 5 June 2003 (both days inclusive), during which period no transfer of shares will be registered.

In order to qualify for attending the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Tengis Limited at G/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 27 May 2003.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Other than in connection with the Company's initial public offering and the listing of the Company's shares on the Stock Exchange on 28 June 2002, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CODE OF BEST PRACTICE

In the opinion of the directors of the Company, the Company has complied with the Code of Best Practice (the "Code") as set out in appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, since the listing of the Company's shares on the Stock Exchange on 28 June 2002.

FULL DETAILS OF FINANCIAL INFORMATION

The annual report of the Company, including the information required by the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board
Mr. Xu Peixin
Chairman

Hong Kong, 28 April 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of the Company will be held at Charter Room II, Function Room Level of The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Thursday, 5 June 2003 at 3:00 p.m. for the following purposes:

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

"THAT

- (i) subject to paragraph (iii), the exercise by the Directors of the Company during the Relevant Period (as defined below) 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 power be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (iii) 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 (i), otherwise than pursuant to (a) Rights Issue (as defined below) or (b) the exercise of any option under the Share Option Scheme, shall not exceed 20% 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; and
- (iv) for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next Annual General Meeting of the Company; or
- (b) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; or
- (c) 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 other applicable laws of Cayman Islands 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 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 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, or in any territory outside Hong Kong)".

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

"THAT

- (i) subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong 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;
- (ii) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (iii) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next Annual General Meeting of the Company; or
- (b) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; or
- (c) 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 other applicable laws of Cayman Islands to be held."

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

"THAT subject to the passing of Resolution No. 5 and No. 6 set out in the notice convening this meeting, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to Resolution No. 5 set in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 6 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the said Resolution."

By Order of the Board
Lo Kwai Man
Company Secretary

Hong Kong, 28 April 2003

Notes:

1. The Register of Members of the Company will be closed from Wednesday, 28 May 2003 to Thursday 5 June 2003 (both days inclusive). During this period, no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tengis Limited at G/F., BEA Harbour Views Centre, 56 Gloucester Road, Wanchai, Hong Kong on 27 May 2003.
2. Any member of the Company entitled to attend and vote at the meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority must be lodged with the Company's Branch Share Registrar in Hong Kong, Tengis Limited at G/F., BEA Harbour Views Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Concerning Resolution No. 5 above, approval is being sought from members as a general mandate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any shares of the Company up to 20 per cent. of the issued share capital.
5. In relation to Resolution No. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on this Resolution as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be set out in a separate document to be sent to the shareholders with the annual report for the year ended 31 December 2002.