



# 世界(集團)有限公司

## WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in Cayman Islands with limited liability)  
(Stock Code: 713)

### RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

The Board of Directors (the "Board") of World Houseware (Holdings) Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2004 together with the comparative figures for the last corresponding year:

#### CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Turnover	2	870,936	737,541
Cost of sales		(759,863)	(621,813)
Gross profit		111,073	115,728
Other operating income		4,720	11,376
Selling and distribution costs		(11,404)	(11,120)
Administrative expenses		(78,174)	(72,559)
Allowance for bad and doubtful debts		(10,427)	—
Gain on disposal of leasehold land and buildings		8,793	—
Surplus arising on revaluation of investment properties		3,548	20
Profit from operations	3	28,129	43,445
Finance costs	4	(5,372)	(3,485)
Profit before taxation		22,757	39,960
Taxation	5	(2,899)	(2,932)
Net profit for the year		19,858	37,028
Dividends		6,764	6,764
Earnings per share	6		
Basic		2.9 cents	5.5 cents
Diluted		N/A	5.5 cents

#### CONSOLIDATED BALANCE SHEET

At 31 December 2004

	2004 HK\$'000	2003 HK\$'000
<b>Non-current assets</b>		
Investment properties	23,670	15,220
Property, plant and equipment	701,594	672,116
Deposits paid for acquisition of property, plant and equipment	22,333	12,604
	747,597	699,940
<b>Current assets</b>		
Inventories	174,428	137,531
Trade and other receivables	200,333	203,446
Properties held for sale	90,231	—
Trading securities	5,143	4,449
Taxation recoverable	811	1,360
Bank balances and cash	95,816	68,636
	566,762	415,422
<b>Current liabilities</b>		
Trade and other payables	162,391	145,990
Taxation payable	8	52
Bank borrowings — amount due within one year	215,977	173,189
	378,376	319,231
<b>Net current assets</b>	188,386	96,191
	935,983	796,131
<b>Non-current liabilities</b>		
Bank borrowings — amount due after one year	141,550	15,892
Deferred taxation liabilities	7,081	5,981
	148,631	21,873
	787,352	774,258
<b>Capital and reserves</b>		
Share capital	67,642	67,642
Reserves	719,710	706,616
	787,352	774,258

#### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

##### 1. BASIS OF PREPARATION

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

##### 2. TURNOVER AND SEGMENT INFORMATION

###### Business segment

For management purposes, the Group is organised into three divisions: household products, PVC pipes and fittings and property investment.

Segment information about these businesses is presented below as primary segment information:

Year ended 31 December 2004

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Property investment HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>Turnover</b>					
Sales of goods					
External sales	493,011	377,034	—	—	870,045
Inter-segment sales	6,258	1,695	—	(7,953)	—
Rental income	—	—	891	—	891
Total	499,269	378,729	891	(7,953)	870,936
<b>Result</b>					
Segment result	(4,896)	21,824	4,139	—	21,067
Unallocated corporate income					7,062
Profit from operations					28,129
Finance costs					(5,372)
Profit before taxation					22,757
Taxation					(2,899)
Net profit for the year					19,858

Inter-segment sales are charged at cost plus certain markup.

Year ended 31 December 2003

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Property investment HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>Turnover</b>					
Sales of goods					
External sales	424,406	312,209	—	—	736,615
Inter-segment sales	43,758	1,068	—	(44,826)	—
Rental income	—	—	926	—	926
Total	468,164	313,277	926	(44,826)	737,541
<b>Result</b>					
Segment result	18,001	27,477	796	—	46,274
Unallocated corporate expenses					(2,829)
Profit from operations					43,445
Finance costs					(3,485)
Profit before taxation					39,960
Taxation					(2,932)
Net profit for the year					37,028

Inter-segment sales are charged at cost plus certain markup.

##### Geographical segment

Substantially all of the sales of the Group's PVC pipes and fittings and rental income of the Group's property investment were made to customers in the PRC, including Hong Kong. An analysis of the Group's sales of household products by geographical market is as follows:

	2004 HK\$'000	2003 HK\$'000
<b>Turnover</b>		
United States of America	367,736	314,107
Asia	72,393	56,984
Europe	19,984	16,398
Canada	19,578	19,450
Latin America	9,859	13,937
Australia	2,100	3,024
Other areas	1,361	506
Total sales of household products	493,011	424,406

##### 3. PROFIT FROM OPERATIONS

	2004 HK\$'000	2003 HK\$'000
Profit from operations has been arrived at after charging:		
Directors' remuneration	15,813	14,233
Other staff's retirement benefit scheme contributions	3,187	3,370
Other staff costs	81,634	75,242
Total staff costs	100,634	92,845
Auditors' remuneration	1,595	1,509
Cost of inventories recognised as an expense	475,802	432,975
Depreciation	52,574	47,979
Loss on disposal of property, plant and equipment other than leasehold land and buildings	59	695
Operating lease rentals in respect of rented premises	2,675	4,528
Temporary quota charges and after crediting:	82	197
Dividend income from trading securities	53	176
Gain on disposal of trading securities	—	517
Gross rental income before deduction of outgoings of HK\$187,000 (2003: HK\$163,000)	891	926
Interest income	479	461
Realised gain on forward contracts	1,066	—
Unrealised gain on forward contracts	153	2,294
Unrealised holding gain on trading securities	694	972

##### 4. FINANCE COSTS

	2004 HK\$'000	2003 HK\$'000
Interest on bank borrowings:		
— wholly repayable within five years	(5,024)	(3,485)
— not wholly repayable within five years	(348)	—
	(5,372)	(3,485)

##### 5. TAXATION

	2004 HK\$'000	2003 HK\$'000
Hong Kong Profits Tax calculated at 17.5% (2003: 17.5%) on the estimated assessable profits of the year	—	(393)
— charge for the year	(79)	25
— (under) overprovision in prior years	(79)	(368)
Non Hong Kong taxation — charge for the year	(1,720)	(968)
Deferred taxation charge	(1,799)	(1,336)
Net taxation charge	(2,899)	(2,932)

No provision for Hong Kong Profits Tax has been made in the financial statements in the current year as the Group has no assessable income for the year.

Non Hong Kong taxation represents enterprise income tax of 15% on income derived from other parts of the PRC outside Hong Kong. Certain subsidiaries in the PRC are eligible for tax concessions.

##### 6. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share are as follows:

	2004 HK\$'000	2003 HK\$'000
Earnings for the purpose of calculating basic and diluted earnings per share	19,858	37,028
<b>Number of shares</b>		
Number of shares for the purpose of calculating basic earnings per share	676,417,401	676,417,401
Effect of dilutive potential shares:		
Share options	—	152,954
Weighted average number of shares for the purpose of calculating diluted earnings per share	—	676,570,355
Basic earnings per share	2.9 cents	5.5 cents
Diluted earnings per share	N/A	5.5 cents

In 2004, no diluted earnings per share has been presented because the exercise price of the Company's options was higher than the average market price of the Company's shares.

##### FINAL DIVIDEND

The directors have resolved to recommend the payment of a final dividend of HK0.5 cent per share in respect of the year ended 31 December 2004 payable to shareholders (31.12.2003: HK0.5 cent per share) whose names appear on the Company's register of members on 25 May 2005.

##### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 19 May 2005 to 25 May 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the above final dividend all transfers accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Secretaries Limited of G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 18 May 2005.

**MANAGEMENT DISCUSSION AND ANALYSIS****Results**

- The Group recorded a turnover of HK\$870,936,000 for the year ended 31 December 2004, representing an increase of 18.1% as compared with last year.
- Gross profit and gross profit margin of the Group recorded HK\$111,073,000 and 12.8%, representing a decrease of HK\$4,655,000 and 2.9% respectively as compared with last year.
- Profit for the year attributable to shareholders was HK\$19,858,000, representing a decrease of 46.4% as compared with last year.
- Basic earnings per share was HK2.9 cents, representing a decrease of 47.3% as compared with last year.
- The Board proposed a final dividend of HK0.5 cent per share.

**Business Review**

2004 has been a challenging year of the Group.

For the year ended 31 December 2004, the total turnover of the Group amounted to HK\$870,936,000, which represented an increase of 18.1% or HK\$133,395,000 as compared with that of HK\$737,541,000 for the same period last year. The turnover of household products was HK\$493,011,000 representing an increase of 16.2% or HK\$68,605,000 as compared with HK\$424,406,000 for the same period last year. The turnover of PVC pipes and fittings amounted to HK\$377,034,000, representing an increase of 20.8% or HK\$64,825,000 as compared with HK\$312,209,000 for the same period last year. During the year under review, the Group's gross profit amounted to HK\$111,073,000, representing a decrease of 4% or HK\$4,655,000 as compared with HK\$115,728,000 for the same period last year; and the gross profit margin was 12.8%, representing a decrease of 2.9%, as compared with 15.7% for the same period last year.

The increase in the Group's turnover was mainly attributable to the flexible business strategies adopted by the Board and management, focusing on market-led condition, formulating appropriate marketing strategies, and achieving the expected result. The reduction of gross profit margin and operating results of the Group was mainly attributable to the followings reason:-

- During the year under review, the continuous rise in oil price has led to a substantial increase in the prices of the major raw materials employed by the Group, resulting in a decrease in the gross profit margin.
- Starting from the year 2004, the PRC government has reduced certain export tax refund rate by two percent to 13% and has led to a decrease in the Group's tax refund in year 2004.
- During the year under review, the Group has made an allowance for bad and doubtful debts of approximately HK\$9,427,000 in respect of a Canadian customer which is in the process of bankruptcy proceedings.

**Prospects**

In 2005, the global economy will face challenges but there will not be lack of business opportunities. The high oil price, the continuous upward trend in the prices of down-stream plastic raw materials, and the uncertainty due to the increase in the interest rates in the United States and in Hong Kong continue to exist. These uncertainties lead to a rise in the cost of the Group's products, thus lowering their competitiveness. After experiencing a global price rise for plastic raw materials for more than a year, the prices of all household plastic products have attained an all-round increase. The global buyers, importers, large-scale chain stores and department stores, which had strongly resisted the price increase of the Group's products in the past, have begun to change their attitude and show their recognition and acceptance of price change. This market operating environment change will improve the gross profit margin of the Group's household products segment gradually.

The economic development in the PRC has been making steady progress and the living standard has been improving gradually. As a result, the demand for real estates and various affiliated facilities such as water, electricity and gas had been rapidly increased. In order to meet this demand, during the year under review, the Group has invested an additional amount of approximately HK\$23,000,000 for the construction of factories, installation of machineries and the production of PE plastic pipes products for gas, air conditioners and hot water supply. The trial production of this project has already been completed, and is now in its preliminary stage of production.

The Board and the management are fully aware of the challenges currently faced by the Group and have been actively pursuing to research and develop innovative products relating to the Group's core businesses, to expand its business scope, to achieve business diversification and to enhance operating efficiency. In 2004, after thorough investigation and detailed discussions relating to the global trend of environmental protection and with the support and assistance of Sha Xi Town, Zhongshan City Municipal People's Government, the Board had applied for the environmental, recycling and reborn resources license (環保再生資源特許經營牌照), and had acquired two adjacent plots of industrial land in Chong Bian Village, Sha Xi Town, Zhongshan City, Guangdong Province, the PRC, with total areas of approximately 66,667 square meters and approximately 81,334 square meters respectively. Also, the Group's two newly formed wholly-owned subsidiaries, namely South China Reborn Resources (Zhongshan) Company Limited and Fundorb Textiles (Zhongshan) Company Limited, have commenced the construction of factories work, acquisition of machineries, plan to collection of PVC, PP, PE and other recycling and reborn resources business-related raw materials. These related raw materials would then be processed by advanced and sophisticated machineries and state-of-the-art technologies in order to produce the international standards recycled raw materials. The total investment of the project is approximately of HK\$150,000,000, which is to be injected over three years subject to the development progress. The phase I of the project, in relation to the factories construction and machineries installation, is expected to be completed in the fourth quarter of 2005, whereas the trial production and production is expected to commence in the first quarter of 2006.

The Board anticipates that the completion of the newly launched project will facilitate the expansion of its business scope, reduce the production cost of our core businesses, provide better business elements and privileged conditions for the Group's continuing development and create a higher investment value for our shareholders.

**Liquidity, Financial Resources And Funding**

The Group finances its operations from internally generated cash flows, term loans and trade finance facilities provided by banks in Hong Kong and the PRC. At 31 December 2004, the Group had bank balances and cash of HK\$95,816,000 (31.12.2003: HK\$68,636,000) and had interest-bearing bank borrowings of HK\$357,527,000 (31.12.2003: HK\$189,081,000).

The Group's total banking facilities available as at 31 December 2004 amounted to HK\$716,207,000; of which HK\$399,323,000 was utilised (utilisation rate was at 55.8%).

The Group conducts its business transactions principally in Hong Kong Dollars, US Dollars and Renminbi. During the year, the Group continued to take advantage of the low United States of America's exchange risk environment and entered into foreign currency forward contracts to hedge the Group's exposure in making purchases in United States dollars. A realised gain on forward contracts was made in the amount of HK\$1,066,000.

At 31 December 2004, the Group had current assets of HK\$566,762,000 (31.12.2003: HK\$415,422,000). The Group's current ratio was 1.5 as at 31 December 2004 as compared with 1.3 as at 31 December 2003. Total shareholders' funds of the Group as at 31 December 2004 increased by 1.7% to HK\$787,352,000 (31.12.2003: HK\$774,258,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 31 December 2004 was 0.67 (31.12.2003: 0.44).

**CHARGES ON ASSETS**

Certain leasehold land and buildings, investment properties and properties held for sale with an aggregate net book value of HK\$127,264,000 were pledged to banks for general banking facilities granted to the Group.

**STAFF AND REMUNERATION**

At 31 December 2004, the Group employed a total workforce of about 4,800 (2003: 4,900) including 300 permanent staff and 4,500 contracted staff in our factories located in the PRC. The total staff remuneration (excluding directors' remuneration) incurred during the year was HK\$84,821,000 (2003: HK\$78,612,000). It is our Group policy to review its employee's pay levels and performance bonus system regularly to ensure that the remuneration policy is competitive within the relevant industries. It is the Group's policy to encourage its subsidiaries to send the management and staff to attend training classes or seminars that related to the Group's business. Tailor made internal training program was also provided to staff in our PRC factories.

**PURCHASE, SALE OR REDEMPTION OF SHARES**

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year.

**CORPORATE GOVERNANCE**

The Company has complied throughout the year ended 31 December 2004 with the Code of Best Practice as set out in Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except that the non-executive director and independent non-executive directors were not appointed for a specific term as set out in Appendix 14 of the Listing Rules but are subject to retirement by rotation and re-election at annual general meetings in accordance with the Company's Articles of Association.

Throughout the year ended 31 December 2004, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all the directors of the Company, all directors confirmed they have complied with the required standard set out in the Model Code.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

**AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2004.

**DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE**

All the information required by paragraph 45(1) and 45(3) inclusive of Appendix 16 of the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) in due course.

By Order of the Board  
**Lee Tat Hing**  
Chairman and Managing Director

Hong Kong, 12 April 2005

As at the date of this announcement, the executive directors of the Company are Mr. Lee Tat Hing, Ms. Fung Mei Po, Mr. Lee Chun Sing, Ms. Lai Lai Wah and Mr. Lee Pak Tung; the non-executive director is Mr. Cheung Tze Man, Edward; the independent non-executive directors are Messrs. Wong Kong Chi, Hui Chi Kuen, Thomas and Ho Tak Kay.

**Notice of Annual General Meeting**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of World Houseware (Holdings) Limited (the "Company") will be held at the Jade Room, 6th floor, The Marco Polo Hongkong Hotel, Harbour City, Kowloon, Hong Kong on Wednesday, 25 May 2005 at 3:00 p.m. for the purpose of considering and if thought fit, passing the following resolutions:

**As ordinary business:**

1. To receive and adopt the audited financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2004.
2. To re-elect directors and to authorise the Board to fix the directors' remuneration.
3. To re-appoint auditors and authorise the Board to fix their remuneration.
4. To declare a final dividend.

**As special business:****ORDINARY RESOLUTION**

5. To consider and, if thought fit, pass with or without modifications, the following resolutions as Ordinary Resolutions:

**A. "THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares, options, warrants or similar rights to subscribe for any shares in the Company, and to make and grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this Resolution) or (ii) the exercise of options under any share option scheme or similar arrangement or (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of the dividend on the shares of the Company in accordance with the Company's Articles of Association, shall not exceed 20 % of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:
  - "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the end of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of Cayman Islands to be held; or
    - (iii) revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;
  - "Rights Issue" means an offer of shares in the capital of the Company open for a period fixed by the directors of the Company to the 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company."

**B. "THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) of this Resolution) of all the 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 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 requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange on which the securities of the Company may be listed as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval mentioned in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 % of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution the expression "Relevant Period" shall have the same meaning as assigned to it under Ordinary Resolution 5A(d) of this notice."

- C. "THAT conditional upon Resolutions 5A and 5B being passed, the aggregate nominal amount of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in Resolution 5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to Resolution 5A, provided that the amount of share capital repurchased by the Company shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution."

**SPECIAL RESOLUTION**

6. To consider and, if thought fit, pass with or without modifications, the following resolution as Special Resolution:
 

"THAT the Articles of Association of the Company be hereby amended as follows:

  - (a) Article 80A
 

By inserting the following new Article 80A immediately after Article 80:

"Poll demanded 80A. Notwithstanding any other provisions in these Articles, if the Chairman of a general meeting and/or the Directors individually or collectively hold proxies by chairman and/or Directors holding proxies in respect of shares holding 5% or more of the total voting rights at a particular meeting, and if on a show of hands the meeting votes in the opposite manner to that instructed in those proxies, the Chairman of the meeting and/or the Directors and the Chairman of the meeting holding proxies as aforesaid collectively shall demand a poll; provided that if it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands, then no poll shall be required."
  - (b) Articles 85(c), 96 and 96A
    - (i) By deleting the existing Article 85(c) in its entirety; and
    - (ii) By re-numbering the existing Article 96 as Article 96(a); and
    - (iii) By inserting the following as new Article 96(b):
 

"(b) Without prejudice to the generality of Article 96(a), if a clearing house (or its nominee(s)), being a corporation, is a member, it may authorise such persons as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands."; and
    - (iv) By deleting the existing Article 96A in its entirety.
  - (c) Article 116
 

By inserting the words "by rotation provided that every Director shall be subject to retirement at least once every three years" at the end of the first sentence of Article 116.
  - (d) Article 117
    - (i) By deleting Article 117(a) in its entirety and replacing therewith the following new Article 117(a):
 

"(a) The Company at any general meeting may elect any person to be a director either to fill a casual vacancy or as an additional director. A Director so elected to fill a casual vacancy shall retire at the next following annual general meeting and shall not be taken into account in determining which Directors or the number of Directors who are to retire by rotation at the meeting;"
    - (ii) By deleting the second sentence of Article 117(c) and replacing therewith the following sentence:
 

"A Director so appointed shall retire at the next following general meeting and shall not be taken into account in determining which Directors or the number of Director who are to retire by rotation at the meeting."

By Order of the Board  
**Lee Tat Hing**  
Chairman and Managing Director

Hong Kong, 12 April 2005

Registered office:  
P.O. Box 309GT  
Ugland House  
South Church Street  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

Head office and principal place of business in Hong Kong:  
Flat C, 18th Floor  
Bold Win Industrial Building  
16-18 Wah Sing Street  
Kwai Chung  
New Territories  
Hong Kong

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, subject to the provisions of the Articles of Association, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which such proxy is so appointed.
2. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the office of the Company's branch share registrar in Hong Kong, at Secretaries Limited of G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment hereof.
3. The register of members of the Company will be closed from 19 May 2005 to 25 May 2005 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the meeting all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, at Secretaries Limited of G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 18 May 2005.
4. A circular containing the information regarding the directors of the Company proposed to be re-elected, general mandates to issue and repurchase shares of the Company and the proposed amendments to the Articles of Association of the Company is being sent to the shareholders of the Company together with the Company's 2004 Annual Report.