K & P INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

RESULTS

The Board of Directors (the "directors") of K & P International Holdings Limited (the "Company") herein announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2002 together with the comparative figures for the previous year as follows:

	Notes	**2002** *HK$'000*	2001 *HK$'000*
TURNOVER	*2*	**200,758**	187,008
Cost of sales		**(167,799)**	(157,636)
Gross profit		**32,959**	29,372
Other revenue		**3,762**	2,565
Selling and distribution costs		**(22,261)**	(20,020)
Administrative expenses		**(20,157)**	(21,448)
Other operating income, net	*4*	**9,280**	2,274
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	*5*	**3,583**	(7,257)
Finance costs	*6*	**(2,905)**	(2,740)
Share of loss of an associate		**(46)**	–
PROFIT/(LOSS) BEFORE TAX		**632**	(9,997)
Tax	*7*	**414**	(568)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		**1,046**	(10,565)
BASIC EARNINGS/(LOSS) PER SHARE	*8*	**0.42 cents**	(4.23) cents

Notes:

1. **Impact of new and revised Statements of Standard Accounting Practice ("SSAPs")**

   The following new and revised SSAPs are effective for the first time for the current year's financial statements:

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

   These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of those SSAPs which have had a significant effect on the financial statements are summarised in the Annual Report.

2. Turnover

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the year.

3. Segment information

The following tables present revenue and profit/(loss) information for the Group's business segments:

(a) Business segments

	Electronic and related components and parts		Consumer electronic products		Corporate and others		Eliminations		Consolidated	
	2002	2001	**2002**	2001	**2002**	2001	**2002**	2001	**2002**	2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**112,054**	100,950	**88,704**	86,058	**–**	–	**–**	–	**200,758**	187,008
Intersegment sales	**5,103**	4,926	**–**	1	**–**	–	**(5,103)**	(4,927)	**–**	–
Other revenue	**3,039**	1,972	**473**	237	**2**	1	**–**	–	**3,514**	2,210
Total	**120,196**	107,848	**89,177**	86,296	**2**	1	**(5,103)**	(4,927)	**204,272**	189,218
Segment results	**(7,742)**	(2,982)	**2,985**	(2,037)	**(1,233)**	(2,592)			**(5,990)**	(7,611)
Interest income									**248**	354
Gain on sale of long term investments, net									**9,325**	–
Profit/(loss) from operating activities									**3,583**	(7,257)
Finance costs									**(2,905)**	(2,740)
Share of loss of an associate									**(46)**	–
Profit/(loss) before tax									**632**	(9,997)
Tax									**414**	(568)
Net profit/(loss) from ordinary activities attributable to shareholders									**1,046**	(10,565)

(b) *Geographical segments*

The following table presents revenue, and certain asset and expenditure information for the Group's geographical segments.

	Segment revenue Sales to external customers		Other segment information Segment assets		Capital expenditure	
	2002	2001	**2002**	2001	**2002**	2001
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**77,753**	76,395	**59,361**	55,814	**92**	611
Mainland China	**4,858**	5,463	**108,122**	98,271	**20,348**	14,159
Total in the PRC	**82,611**	81,858	**167,483**	154,085	**20,440**	14,770
Japan	**25,806**	9,806	**4,928**	3,435	**–**	–
Other Asian countries*	**9,086**	9,818	**6,963**	5,789	**418**	2,282
Total in Asia	**117,503**	101,482	**179,374**	163,309	**20,858**	17,052
Germany	**30,944**	30,641	**2,465**	2,234	**–**	–
Other European countries**	**41,569**	48,828	**4,417**	8,115	**–**	–
Total in Europe	**72,513**	79,469	**6,882**	10,349	**–**	–
North America	**5,223**	3,791	**365**	92	**–**	–
Others***	**5,519**	2,266	**907**	631	**–**	–
Consolidated	**200,758**	187,008	**187,528**	174,381	**20,858**	17,052

* *Other Asian countries mainly comprise Taiwan, Singapore, Malaysia, Thailand, Indonesia and Korea.*

** *Other European countries mainly comprise Italy, the United Kingdom, France, the Netherlands, Austria, Sweden and Spain.*

*** *Others mainly comprise South America, Australia and New Zealand.*

4. Other operating income, net

	2002	2001
	HK$'000	*HK$'000*
Gain on sale of long term investments, net	**9,325**	–
Surplus on revaluation of leasehold land and buildings	**180**	240
Write back of provision for doubtful debts, net	**79**	3,140
Loss on disposal of fixed assets	**(4)**	(39)
Others	**(300)**	(1,067)
	9,280	2,274

5. Profit/(loss) from operating activities

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

	2002 *HK$'000*	2001 *HK$'000*
Cost of inventories sold	**167,390**	157,109
Auditors' remuneration	**870**	905
Depreciation	**23,367**	23,565
Minimum lease payments under operating leases:		
Land and buildings	**3,026**	2,699
Amortisation of intangible assets	**248**	248
Staff costs (including directors' other emoluments):		
Wages and salaries	**52,086**	46,532
Pension scheme contributions	**518**	515
	52,604	47,047
Less: Amount capitalised in deferred development costs	**(999)**	–
	51,605	47,047
Foreign exchange losses, net	**441**	281

6. Finance costs

	2002 *HK$'000*	2001 *HK$'000*
Interest expenses on bank loans and overdrafts wholly repayable within five years	**2,236**	1,757
Interest on finance leases	**669**	983
	2,905	2,740

7. Tax

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2002 *HK$'000*	2001 *HK$'000*
Hong Kong tax:		
Provision for the year	**146**	925
Prior year's underprovision/(overprovision)	**(179)**	57
Deferred	**(457)**	(710)
	(490)	272
PRC tax:		
Provision for the year	**76**	130
Prior year's underprovision	**–**	166
	76	296
Tax charge/(credit) for the year	**(414)**	568

8. Earnings/(Loss) Per Share

The calculation of basic earnings/(loss) per share is based on the net profit attributable to shareholders for the year of HK$1,046,264 (2001: net loss of HK$10,565,236) and the weighted average of 250,004,800 ordinary shares in issue throughout the two years.

Diluted earnings/(loss) per share amounts for the years ended 31 December 2002 and 2001 have not been shown as the share options and warrants outstanding during these years had an anti-dilutive effect on the basic earnings/(loss) per share for these years.

CLOSURE OF REGISTERS

The Register of Members will be closed from Tuesday, 3 June 2003 to Friday, 6 June 2003, both days inclusive, during which period no transfer of shares can be registered.

In order to qualify for attending the annual general meeting of members of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Registrars in Hong Kong. Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 2 June 2003.

FINANCIAL RESULTS

For the year ended 31 December 2002, the Group's turnover reached HK$200.7 million, representing a 7.4% increase over the previous year. Overall gross profit margin was also improved and increased from approximately HK$29.4 million in the previous year to approximately HK$33.0 million this year. Net profit attributable to shareholders was approximately HK$1.1 million (2001: HK$10.6 million net loss).

Basic earnings per share for the year ended 31 December 2002 amounted to HK0.42 cents (2001: 4.23 cents loss per share).

BUSINESS REVIEW

Electronic and related components and parts segment

The Group's electronic and related components and parts segment comprises manufacture and sale of keypads, synthetic rubber and plastic components and parts, and liquid crystal displays. In the year under review, sales turnover of this segment has increased by approximately 11% as compared with the previous financial year.

During the financial year under review, the global economy remained sluggish. In spite of the poor economic situation, the Group obtained steady orders from its established customers and has successfully secured orders from new customers. As mentioned in the last annual report, the Group's near term goal is to capture opportunities in Mainland China following its accession to the World Trade Organization. Our continued marketing effort in China has resulted in increased sales turnover to this market during the year.

The products of this segment are major critical components and parts for high value consumer products. Due to keen market competition, the Group has faced with pressures from both customers and competitors in the market. This leads to reduction in the gross profit margin of the existing products of this segment.

Since the previous two years, we have continued our strategy to become a global supplier of critical precision components and parts and therefore have recruited a team of sales and marketing professionals for serving overseas customers and multinational corporations. With broadened overseas customers base, we believe that our overseas marketing team would start contributing profit to the Group in the coming year.

Consumer electronic products segment

The consumer electronic products segment has achieved approximately 3% increase in sales turnover from the previous year. Although the sales level remained at approximately the same level as last year, the operating results of this segment have been improving through the continuous efforts of the management in cost reduction and development of new value added products for customers' selection.

European market has been the major market of the consumer electronic products segment. In the first half of the year under review, the sales turnover of this segment to the European market was approximately 13.2% lower than the corresponding period in the previous year. However, in the second half of the year under review, the sales to the European market have returned to a satisfactory level and the overall sales turnover for the year is not much different from that of last year significantly.

With the strengthening of Euro dollars, we are optimistic that the demand from the European market and hence the growth of our sales turnover to the same would sustain.

In the past years, we have increased marketing efforts to potential customers in Asian region and have succeeded in developing business with several large OEM Japanese customers. We are pleased to report the sales to the Japanese market have been increased by more than 2.5 times from last year.

Investment

In April 2000, the Group made a strategic long term investment in a software development company Xteam Software International Limited ("Xteam") with the intention to develop certain operating software system jointly with Xteam for the Group's new consumer electronic product lines. Owing to changes in market condition, the Directors decided to end such new product's development. As a result, during the year under review, the Group disposed of all of the investment in Xteam and has realized a net capital gain on this long term investment of approximately HK$9.3 million.

On 29 October 2002, the Group's wholly-owned subsidiary Technology Trends International Limited ("TTI") entered into a memorandum of understanding with YOUEAL Electronics Co. Limited ("YouEal") for the formation of a joint venture company in Mainland China for the manufacture and sale of mobile phone keypads. YouEal is a Korean company with its share listed on KOSDAQ Stock Market and is principally engaged in the design and manufacture of mobile phone keypads and inter-connectors to transmit electric signals to LCDs.

Subsequent to the balance sheet date, on 20 February 2003, TTI finalized and entered into a shareholders' agreement with YouEal and You Eal (China) Ltd. to, among other matters, regulate the respective rights and obligations of the shareholders and the arrangements between them with respect to the ownership, management and operations of the joint venture company (the "JV"). The JV company is owned as to 41% by the Group and is treated as an associated company of the Company. The aggregate amount to be contributed by the Group in funding the JV company would be US$4.1 million.

The JV was formed as a special vehicle to act as the holding company of a wholly foreign-owned enterprise (the "WFOE") established in Tianjin, the PRC. The scope of business of the WFOE is manufacturing and sale of mobile phone keypads.

FUTURE PLAN AND PROSPECTS

Leveraging on the experience of the Group in the manufacture and sale of electronic components and parts including keypads, the Directors consider that the investment in the manufacture of mobile phone keypads through the JV company would create a synergy effect to the Group's existing business. The Directors are also of the view that the experience and expertise in the manufacture of mobile phone keypads of YouEal would certainly be beneficial to the WFOE.

In order to enhance the profit margin of the electronic and related components and parts segment, we have been developing products with new value added features for meeting demand from our customers. During the year, new machines were acquired and facilities are set up for the manufacture of certain newly developed products. It is expected that the new products would bring additional revenue and profit to the Group in year 2003.

We have also been developing consumer electronic products with new features for our customer's selection and have planned to launch several new products in the near future. We are confident that the performance of the consumer electronic products segment would improve significantly in the coming year.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and financial resources

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers and other financial institutions in Hong Kong.

The Group currently has aggregate composite banking facilities of approximately HK$83.9 million with various banks and financial institutions. The total borrowings from banks and financial institutions include long term loans, finance leases, overdraft, import and export loans, amounted to approximately HK$46.2 million as at 31 December 2002, of which HK$37.7 million is repayable in 2003.

The Group's financial position remains healthy. At the balance sheet date, the aggregate balance of cash, cash equivalents and pledged deposits of the Group amounted to approximately HK$22.7 million.

The Group's borrowings are mainly on a floating rate basis and are mainly denominated in either Hong Kong dollars or United States dollars. These match with the principal currencies in which the Group conducts it business. Therefore, the Group does not have any significant foreign exchange risk.

The gearing ratio on the basis of total debts to total assets as at 31 December 2002 is 46.0% (2001: 42.3%).

Charge on the group assets

Certain bank borrowings are secured by fixed charges over the Group's medium term leasehold land and buildings with aggregate net book value of HK$26.7 million and bank deposits amounting to approximately HK$8.2 million.

Contingent liabilities

Except for corporate guarantee given to banks and other financial institutions in relation to facilities granted to the subsidiaries, the Company has no other contingent liabilities as at the balance sheet date.

Capital structure

As at 31 December 2002, the Company had approximately 250 million shares in issue with total shareholders' fund of the Group amounting to approximately HK$101.3 million.

During the prior year, on 16 March 2001, the Company issued 30 million warrants (the "Warrants") with issue price of HK$0.05 each to several independent investors. The Warrants entitle the holders to subscribe for new shares of the Company at a price of HK$0.3 per share from March 2001 to March 2003. Subsequent to the balance sheet date, none of these warrants was exercised and all of them were lapsed and cancelled on the expiry date on 15 March 2003.

Pursuant to the share option scheme (the "Old Scheme") which was approved at a special general meeting of the Company held on 4 December 1996, the Board of Directors granted share options to certain senior executives and employees of the Group. Details of the share options granted are disclosed in note 30 to the Financial Statements. The exercise in full of these share options would result in the issue of 15.5 million additional shares and proceeds of approximately HK$2.5 million.

During the year, on 27 May 2002, the Old Scheme was terminated and replaced by a new share option scheme (the "New Scheme") for compliance with the amendments to the Listing Rules effective from 1 September 2002. A summary of the Group's share option schemes is detailed in note 30 to the Financial Statements. The New Scheme permits the Company to grant options to a wider category of eligible participants.

Fund raising

Subsequent to the balance sheet date on 3 March 2003, the Company entered into separate subscription agreements with several independent investors, pursuant to which these investors agreed to subscribe for unlisted convertible notes issued by the Company with principal amount aggregating US$1,282,500 (equivalent to approximately HK$10,003,500). These convertible notes bear interest at 2% per annum and are convertible into shares of the Company at an initial conversion price of HK$0.40 per share, subject to adjustment, during the period commencing from the date falling 24 months after the date of issue of the convertible notes on 17 March 2003, up to and including the day immediately prior to the maturity date of the convertible note.

Under the same agreements, the investors have also agreed to subscribe for unlisted loan notes issued by the Company with principal amount aggregating US$1,282,500 (equivalent to approximately HK$10,003,500). These loan notes bear interest at 5% per annum, but are not convertible into shares of the Company.

The net proceeds of US$2,529,744 (equivalent to approximately HK$19,732,000) from the issue of these notes would be used to finance the Group's investment in the associate, YOUEAL TTI Limited.

The maturity dates of these convertible notes and loan notes are 27 months and 24 months, respectively, from the date of issue on 17 March 2003. The outstanding convertible notes and loan notes, if any, will be redeemed at maturity by the Company at 132.25% and 114%, respectively.

Employees

As at 31 December 2002, the Group available to it a total workforce of approximately 2,340 of which approximately 60 were based in Hong Kong, approximately 20 were based in Singapore and approximately 2,260 were based in the PRC.

The Group remunerates its employees largely based on the prevailing industry practice and labor laws. Since December 1996, the Company has adopted a share option scheme (the "Old Scheme") for the purpose of providing incentives and rewards to the employees of the Group. The Old Scheme was terminated and replaced by a new share option scheme (the "New Scheme") during the year on 27 May, 2002 as mentioned in the section "Capital Structure" above.

Moreover, under the Mandatory Provident Fund Scheme Ordinance of Hong Kong, the Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme for all its Hong Kong employees. For overseas and PRC employees, the Group is required to contribute a certain percentage of its payroll costs to the central pension scheme operated by the respective local government.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code. The independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's bye-laws.

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 two independent non-executive directors of the Company.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE WEB-SITE

The Company's annual report containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board
Lai Pei Wor
Chairman

Hong Kong, 25 April 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the members of the Company will be held at Ballroom B, 2nd Floor, Great Eagle Hotel, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 6 June 2003 at 10:00 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2002;

2. To re-elect Director, to authorise the Board to fix the Directors' remuneration and to set a maximum number of Directors;

3. To re-appoint Auditors and to authorise the Board to fix their remuneration;

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

   "**THAT**

   (a) the creation and issue of four separate series of convertible loan notes in the principal amounts of US$1,242,188, US$3,125, US$4,687 and US$32,500, respectively (the "**Notes**") by the Company convertible into new ordinary shares of nominal value of HK$0.10 each in the capital of the Company ("**Shares**") at the initial conversion price (with conversion price is subject to adjustment upon the occurrence of certain events as specified in the Instrument (as defined below)) of HK$0.40 per Share in accordance with the terms and conditions contained in four separate subscription agreements each dated 3 March 2003 (the "**Subscription Agreements**") entered into between the Company (as issuer) and each of MC Capital B.V., Naomichi Komuro, Ma So Lan, Ivy and First Idea Holdings Limited (each as subscriber), copies of which are produced to the meeting and marked "A", "B", "C" and "D", respectively and initialled by the chairman of the meeting for the purpose of identification and subject to the terms and conditions contained in the respective instruments each dated 3 March 2003 constituting the relevant Notes (the "**Instruments**"), copies of which are produced to the meeting and marked "E", "F", "G" and "H" and initialled by the chairman of the meeting for the purpose of identification;

   (b) upon exercise from time to time of the conversion rights attached to the Notes, the allotment and issue of Shares pursuant to and in accordance with the terms and conditions of the Instruments and the Notes; and

   (c) the entering into by the Company of the Subscription Agreements and the execution by the Company of the Instruments,

   be and are hereby approved, confirmed and ratified **AND THAT** any director of the Company or the directors of the Company (the "**Directors**") acting together or by committee be and are hereby authorised to do on behalf of the Company whatever such Director and Directors (as the case may be) may, in his, her or their (as the case may be) absolute discretion, consider necessary, desirable or expedient for the purpose of, or in connection with, the performance and implementation by the Company of the Subscription Agreements and the Instruments, and the allotment and issue of the Notes and of the Shares pursuant to the terms of the Instruments and the Notes."

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

"**THAT**

(a) the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;

(b) the total nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

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

    (ii) the revocation or variation of the authority given under this Resolution by Ordinary Resolution of the members in general meetings; and

    (iii) 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.";

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

"**THAT**

(a) the exercise by the Directors during the Relevant Period of all the powers of the Company to issue, allot and dispose of additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or disposed of during or after the end of the Relevant Period be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where shares are offered to members on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) or any 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 and/or any eligible grantee pursuant to the scheme of shares or rights to acquire shares of the Company, or any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, the total nominal amount of additional shares issued, allotted, disposed of or agreed conditionally or unconditionally to be issued, allotted or disposed of (whether pursuant to an option or otherwise) shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval shall be limited accordingly; and

(b) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

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

    (ii) the revocation or variation of the authority given under this Resolution by Ordinary Resolution of the members in general meetings; and

    (iii) 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."; and

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

"**THAT** the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to issue, allot and otherwise dispose of additional shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by total nominal amount of shares in the capital of the Company which has been repurchased by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.".

By Order of the Board
Chung Yik Cheung, Raymond
Secretary

Hong Kong, 25 April 2003

Notes:

(a) The Register of Members will be closed from Tuesday, 3 June 2003 to Friday, 6 June 2003, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for attending the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Registrars in Hong Kong, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 2 June 2003.

(b) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company.

(c) The instrument appointing a 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 Registrars in Hong Kong, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.

(d) An explanatory statement containing further details regarding items 5 to 7 above will be sent to members together with the 2002 Annual Report.

"Please also refer to the published version of this announcement in The Standard".