



SINO GOLF HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNUAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2002

The Board of Directors (the “Board”) of Sino Golf Holdings Limited (“the Company”) announced the audited consolidated results of the Company and its subsidiaries (“the Group”) for the year ended 31st March, 2002 as follows:

	<i>Notes</i>	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i> (Restated)
TURNOVER	3	252,492	300,215
Cost of sales		<u>(177,194)</u>	<u>(191,402)</u>
Gross profit		75,298	108,813
Other revenue, net		6,293	4,509
Selling and distribution costs		(11,361)	(8,652)
Administrative expenses		(16,890)	(13,962)
Other operating expenses, net		<u>(11,213)</u>	<u>(9,309)</u>
PROFIT FROM OPERATING ACTIVITIES	3, 4	42,127	81,399
Finance costs	5	<u>(7,121)</u>	<u>(9,876)</u>
PROFIT BEFORE TAX		35,006	71,523
Tax	6	<u>(3,219)</u>	<u>(6,257)</u>
PROFIT BEFORE MINORITY INTERESTS		31,787	65,266
Minority interests		<u>(1,340)</u>	<u>–</u>
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>30,447</u>	<u>65,266</u>
Dividends	7	<u>30,374</u>	<u>47,500</u>
EARNINGS PER SHARE – Basic	8	<u>10.10 cents</u>	<u>26.49 cents</u>

1. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPS”)

The following recently-issued and revised SSAPs and related Interpretations are effective for the first time for the current year’s financial statements:

- SSAP 9 (Revised): “Events after the balance sheet date”
- SSAP 14 (Revised): “Leases”
- SSAP 18 (Revised): “Revenue”
- SSAP 26 : “Segment reporting”
- SSAP 28 : “Provisions, contingent liabilities and contingent assets”
- SSAP 29 : “Intangible assets”
- SSAP 30 : “Business combinations”
- SSAP 31 : “Impairment of assets”
- SSAP 32 : “Consolidated financial statements and accounting for investments in subsidiaries”
- Interpretation 12: “Business combinations – subsequent adjustment of fair values and goodwill initially reported”
- Interpretation 13: “Goodwill – continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserves”

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group’s accounting policies and on the amounts disclosed in the financial statements of adopting these SSAPs and Interpretations which have had a significant effect on financial statements are summarised in the Company’s annual report.

With the exception of SSAP 9 (revised), SSAP 18 (revised) and SSAP 30, the adoption of the above standards and interpretations has had no material effect on amounts reported in prior year.

In accordance with SSAP 9 (revised) and SSAP 18 (revised), the proposed final dividend which is not declared and approved until after the balance sheet date, is no longer recognised as a liability at the balance sheet date, and the proposed final dividends from subsidiary that are declared and approved by the subsidiaries after the balance sheet date are no longer recognised for the year. Such changes in accounting policies have been applied retrospectively so that the proposed final dividend of the Company in the prior period, amounting to HK\$21,000,000, previously reported as current liability as at 31st March, 2001 has been restated and shown under capital and reserves in the balance sheet. The adoption of SSAP 9 (revised) and SSAP 18 (revised) has had no effect on the consolidated profit and loss account for the years ended 31st March, 2002 and 2001.

The Group has adopted the transitional provision of SSAP 30 which permits goodwill in respect of previous acquisitions to be restated to the non-current assets section of the consolidated balance sheet, in accordance with the new accounting policy.

The prior year adjustment so arising has resulted in goodwill previously eliminated against consolidated retained profits of HK\$5,216,000 as at 1st April, 2001 being restated as the cost of the goodwill as at 1st April, 2001. The cumulative amount of goodwill that would have been amortised to the consolidated profit and loss account under the new accounting policy, of HK\$447,000 as at 1st April, 2001, together with the amount of further impairment which would have arisen in prior years under the requirements of SSAP 30, of HK\$1,433,000 as at 1st April, 2001, have been restated as the balance of accumulated amortisation and impairment of goodwill as at 1st April, 2001.

The effect of this change in accounting policy on the consolidated profit and loss account for the current year was to increase the amortisation and impairment of goodwill by HK\$764,000 and HK\$500,000, respectively.

2. BASIS OF CONSOLIDATION AND PRESENTATION

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong SSAPs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of certain fixed assets.

Basis of consolidation and presentation

The consolidated financial statements for the year ended 31st March, 2002 include the financial statements of the Company and its subsidiaries for the year ended 31st March, 2002. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively.

The comparative consolidated financial statements have been prepared on the basis of merger accounting. On this basis, the Company has been treated as the holding company of its subsidiaries acquired for the year ended 31st March, 2001, rather than from the date of their acquisition pursuant to a group reorganisation completed on 5th December, 2000 in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Accordingly, the consolidated results of the Group for the year ended 31st March, 2001 include the results of the Company and its subsidiaries with effect from 1st April, 2000 or since their respective dates of incorporation/acquisition, where this is a shorter period.

3. TURNOVER AND SEGMENTAL INFORMATION

An analysis of the Group's turnover and contribution to profit from operating activities by business and geographical segments for the year ended 31st March, 2002 is as follows:

	2002		2001	
	Turnover	Contribution to profit from operating activities	Turnover	Contribution to profit from operating activities
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
By business segment:				
Golf equipment	230,522	39,175	300,215	79,917
Golf bags	21,970	2,186	—	—
	<u>252,492</u>	<u>41,361</u>	<u>300,215</u>	<u>79,917</u>
Interest income		766		1,482
		<u>42,127</u>		<u>81,399</u>
			2002	2001
			Turnover	Turnover
			<i>HK\$'000</i>	<i>HK\$'000</i>
By geographical segment based on shipment location:				
North America			163,616	191,883
Europe			22,964	54,389
Asia (excluding Japan)			30,561	36,405
Japan			24,399	9,488
Others			10,952	8,050
			<u>252,492</u>	<u>300,215</u>

The segment results by geographical segment is substantially in line with the overall rate of contribution to turnover and accordingly, a geographical analysis of segment results is not presented.

4. PROFIT FROM OPERATING ACTIVITIES

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

	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
Depreciation	10,776	8,728
Amortisation of goodwill	764	447
Impairment of goodwill	500	—
Exchange losses/(gains), net	<u>(1,719)</u>	<u>369</u>

5. FINANCE COSTS

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Interest on bank loans and overdrafts	5,435	7,706
Interest on finance leases and hire purchase contracts	189	265
	<hr/>	<hr/>
Total interest expenses	5,624	7,971
Bank charges	1,497	1,905
	<hr/>	<hr/>
Total finance costs	<u>7,121</u>	<u>9,876</u>

6. 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 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Provision for the year:		
Hong Kong	3,020	5,625
Elsewhere	19	57
Underprovision in prior year	180	375
Deferred tax	–	200
	<hr/>	<hr/>
Tax charge for the year	<u>3,219</u>	<u>6,257</u>

7. DIVIDENDS

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Special dividends paid by a subsidiary of the Company to its then shareholders	–	26,500
Underprovision in the prior year – HK7 cents	154	–
Proposed final – HK10 cents (2001: HK7 cents) per ordinary share	30,220	21,000
	<hr/>	<hr/>
	<u>30,374</u>	<u>47,500</u>

The dividend rates and the number of shares ranking for the special dividends declared and paid in the prior year by a wholly owned subsidiary of the Company, Sino Golf Manufacturing Company Limited, to its then shareholders out of its retained profits prior to the Reorganisation are not presented as the Directors are of the opinion that such information is not meaningful for the purpose of the Group's financial statements.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$30,447,000 (2001: HK\$65,266,000 as restated) and the weighted average of 301,555,000 (2001: 246,370,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31st March, 2002 and 2001 have not been calculated as no diluting events existed during these years.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 1st August, 2002 to Wednesday, 7th August, 2002, both days inclusive, during which period no transfer of shares will be effected. All share transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong not later than 4:00 p.m. on Wednesday, 31st July, 2002 in order to qualify for the final dividend mentioned above.

CHAIRMAN STATEMENT

Business Climate for the Year

In 2001, global economy was slowdown subsequent to sluggish economy previously occurred in North America and substantial influence over most regions worldwide. The September 11 Tragedy further dampened the sluggish economy. Depressed market and lower consumers' confidence resulted in decline in the consumers' desire and importers adopted cautious inventory policy to decrease the inventory level which would otherwise remain and delayed or reduced their purchases. As a manufacturer of consumer products of golf equipment and accessories, the Group's business was inevitably impacted and recorded unprecedented slowdown and results was declined. The market has improved with obvious recovery and the conditions are encouraging since early in 2002. Combined with the business climate in the whole year, the period from April to December in 2001 was extremely difficult for the Group. Although the business in the first three months in 2002 has improved satisfactorily, it cannot cover the results lost in the previous year. Overall, the business climate in this year is still considerably difficult.

Operatons During the Year

The total sales was HK\$252,492,000 for the year, representing a decrease of 16% over that of last fiscal year, among which HK\$230,522,000 generated from the sales of golf club and its accessories, representing a decrease of 23% over that of last year, while the remainder came from the sales of golf bags, a new business acquired by the Group during the year. The Group's overall net profit attributable to shareholders decreased by 53% to HK\$30,447,000. After deduction of the profit contributed by the business of golf bags, the profit from golf clubs and accessories was HK\$29,350,000, representing a decrease of 55% over that of last year. The Group's sales mainly focused on golf clubs and accessories during the year as the new business of golf bags is still in its infancy despite that it operated satisfactorily. More substantial decline in net profit attributable to shareholders than in sales was attributable to:

- the gross margin in the new business of golf bags was lower than that of the Group's original major business and the Group's gross margin was diluted after being combined with the sales in such business;
- orders from major business of golf clubs and other accessories decreased and caused cost increase and slight decline in gross margin; and

- the Group made substantial investments to meet the requirement of long term development during the year and hence the operation cost increased.

The Group maintains a strong financial position and conforms to the steady target level which we have been aiming at although the total sales and net profit attributable to shareholders decreased.

Future Development Strategy and Prospects

Although the operating circumstance in 2001 was very hard, we still believe such situation is only temporary. As the competition from manufacturers which principally engage in the manufacture of golf clubs and other accessories in the U.S.A. and other regions has been impaired substantially, and the demands of brand-name manufacturers for the Group's products will be increased relatively due to their continuing outsourcing production for the press from the market price, we consider no need to change our former development plans for the temporary decline of business in last year. We had made appropriate investments according to the set direction to meet the continuing development requirements of the Group, among which included:

- In October 2001, the Group acquired the golf bag business from an independent third party to continuously extend the scope of one-stop procurement service provided by the Group. The consideration paid by the Group for such acquisition is HK\$10,200,000 which accounted for 51% equity interests of the new company.
- In October 2001, the Group established a Sino-foreign joint venture with an independent third party in the PRC, which principally engages in the manufacture of forged titanium alloy and molded zinc-aluminum alloy golf heads. The total investment was HK\$6,684,000, representing 62.5% equity interests of the joint venture. This investment brought about a further vertical integration for the Group's overall production so that reduced the overall cost of production.
- In October 2001, the Group completed the expansion of the research and development building and set up the most perfect testing center in the golf field for golf clubs, with total investment over HK\$4 million. Those investments greatly enhance the capabilities to develop new products and strengthen the customers' confidence to the Group.
- Save as the aforesaid, the Group expanded the existing production lines in two manufacturing plants to 8,000 sq.m. with investment amounted to be more than HK\$6 million so as to take back most work of outsourcing production to do by ourselves to control the delivery time and production cost more effectively.

Prospects

Despite the durability of recovery to the global economy has not been verified by economists, however, considering the optimistic evidences to the circumstances up to now, the Group believes that the sales of the Group for the next year shall achieve an ideal increase according to the existing orders and the purchasing plans for the next year provided by the customers, and envision that it is not applicable to make an imprudent judge on the estimation of the turnover for the year because of the changing markets all the time.

With the continuous outsourcing of manufacturing business by the famous brands, which resulted from the pressure of increasing competitions, the demand to the Group's products will continuously increase in the next three or four years, and the circumstances will continue until the completion of outsourcing of most products.

Golf activities at present develop rapidly both in China and Hong Kong, in the near future, a large scale market will be formed as those of United States and Japan, and provide infinite business opportunities. The Group is now keeping a close eye on the development of the golf market in these two regions, and searching the new business opportunities therefrom.

As a whole, despite the adverse market conditions experienced last year, we are still optimistic to the prospects of the Group's business and to a large space for development. With the recovery and continuous development of golf market, the Group shall get the satisfied performance on profit in future.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

During the year under review, the Group's audited consolidated turnover for the year ended 31 March 2002 amounted to HK\$252,492,000 (2001: HK\$300,215,000). Net profit from ordinary activities attributable to shareholders for the year was HK\$30,447,000 (2001: HK\$65,266,000 as restated).

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. As at 31 March 2002, the Group maintained a cash and bank deposit of HK\$84.6 million (2001: HK\$69.8 million).

The Group currently has aggregate composite banking facilities of approximately HK\$224.7 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\$85.4 million as at 31 March 2002, of which HK\$70 million is repayable in 2002.

During the year under review, the Group maintains a strong financial position. As at 31 March 2002, the total shareholders' equity of the Group was approximately HK\$183.2 million. The Group's current ratio and the quick ratio were 1.77 (2001: 1.95 as restated) and 1.28 (2001: 1.58 as restated) respectively. In additions, the Group has generated a net cash inflow from its operations of more than HK\$43.9 million.

The Group's gearing ratio at 31 March 2002, defined as the net borrowings of approximately HK\$85.4 million divided by total shareholder's equity of approximately HK\$183.2 million, was 46.6% (2001: 31.3% as restated).

The Group continue to conduct most of its business to United States dollars, Hong Kong dollars or Renminbi. That, together with the policy of keeping the majority of our assets also in these currencies, ensures that our exposure to exchange rate fluctuation is minimal.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange from the date of listing.

DETAILED RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE STOCK EXCHANGE

A detailed results announcement 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
Chu Chun Man, Augustine
Chairman

Hong Kong, 5th July, 2002

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at The Macro Polo Hongkong Hotel, Jade Room, 6/F, Harbour City, 3 Canton Road, Kowloon, Hong Kong on 7th August, 2002 at 2:30 p.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 31st March, 2002 and to approve the change of the financial year end date from 31st March to 31st December;
2. to declare a final dividend for the year ended 31st March, 2002;
3. to re-elect the directors of the Company;
4. to authorise the board of directors to fix the directors' remuneration;
5. to re-appoint the auditors and to authorise the board of directors to fix their remuneration; and
6. As special business and, if thought fit, pass with or without amendments, the following resolutions each as an Ordinary Resolution:

“THAT:

- (a) subject to sub-paragraph (c) of this Resolution, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers 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 pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company (“**Shares**”); or (iii) the exercise of any options granted under the share option scheme of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of the

dividend on Shares in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of 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 expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities of the Company giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlement’s 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 the Hong Kong Special Administrative Region of the People’s Republic of China).”

7. As special business, to consider and, if thought fit, pass with or without amendment(s) the following resolution as Ordinary Resolution:

“**THAT:**

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase Shares on Stock Exchange or any other exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases (“Recognised Stock Exchange”) subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time (the “Listing Rules”) or that of any other Recognised Stock Exchange, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be purchased by the Company pursuant to the approval in sub-paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the date of 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 expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company in general meeting.”

8. As special business, to consider and, if thought fit, pass with or without amendment(s) the following resolution as Ordinary Resolution.

“**THAT** conditional upon Resolution 6 and Resolution 7 set out in the notice convening this meeting of which this resolution forms part being passed, the aggregate nominal amount of the shares capital of the Company which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as stated in Resolution 7 set out in the notice convening this meeting of which this resolution forms part) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company under the authority granted pursuant to Resolution 7 set out in the notice convening this meeting of which this resolution forms part.”

By Order of the Board
Chu Chun Man, Augustine
Chairman

Hong Kong, 5th July, 2002

Notes:

- 1. A form of proxy for use at the meeting is enclosed.
- 2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
- 3. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- 4. In order to be valid, a 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 of authority, must be deposited at the Company’s share registrar, Tengis Limited of 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
- 5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.

6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
7. For the purpose of determining the list of shareholders entitled to attend and vote at the Annual General Meeting and to receive the final dividend to be declared at the meeting, the Company shall temporarily suspend changes to the register of members from Thursday, 1 August 2002 to Wednesday, 7 August 2002, both days inclusive. Shareholders whose names appear on the register at the time of the suspension of registration shall be entitled to attend and vote at the meeting and shall be entitled to receive final dividend if declared at the meeting. Persons who purchase shares of the Company during the period of suspension of registration shall not be entitled to attend the meeting nor to the final dividend.
8. In relation to the proposed resolution 6 set out in the notice convening the meeting, approval is being sought from the members as a general mandate under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The Directors wish to state that they have no immediate plans to issue any new shares of the Company.
9. In relation to the proposed resolution 7 set out in the notice convening the meeting the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in the circumstances which they deem appropriate for the benefit of the Company and the shareholders.

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