EGANA
JEWELLERY & PEARLS LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE PERIOD FROM 1ST JANUARY, 2001 TO 31ST MAY, 2002

Highlights

- Turnover was HK$856 million (US$110 million).
- After-tax profit attributable to shareholders was HK$42.3 million (US$5.4 million).
- Shareholder fund increased by HK$69 million (US$8.8 million) to HK$406 million (US$52 million).

RESULTS

The board of directors (the "Directors") of Egana Jewellery & Pearls Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the period from 1st January, 2001 to 31st May, 2002 together with the comparative figures for the corresponding year ended 31st December, 2000 which are summarised as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the period from 1st January, 2001 to 31st May, 2002	**For the year ended 31st December, 2000 (As restated)**
	HK$'000	*HK$'000*
TURNOVER	855,738	670,648
COST OF SALES	(476,590)	(375,184)
GROSS PROFIT	379,148	295,464
OTHER REVENUES *(note 2)*	34,342	12,380
DISTRIBUTION COSTS	(162,809)	(116,775)
ADMINISTRATIVE EXPENSES	(182,488)	(126,764)
OPERATING PROFIT	68,193	64,305
FINANCE COSTS	(22,972)	(17,065)
PROFIT BEFORE SHARE OF (LOSS)/PROFIT OF ASSOCIATES	45,221	47,240
SHARE OF PROFIT OF AN ASSOCIATE	—	—
PROFIT BEFORE TAXATION	45,221	47,240
TAXATION *(note 3)*	(3,444)	(4,610)
PROFIT AFTER TAXATION	41,777	42,630
MINORITY INTERESTS	509	—
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	42,286	42,630
DIVIDENDS	4,653	11,795
EARNINGS PER SHARE *(note 4)*		
Basic	13.63 cents	13.75 cents
Diluted	N/A	13.70 cents

Notes:

1. **Basis of preparation and accounting policies**

In the current period ended 31st May, 2002, the Group has changed certain of its accounting policies following its adoption of the following Statements of Standard Accounting Practice ("SSAP") issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1st January, 2001:

SSAP 9 (revised)	:	Events after the balance sheet date
SSAP 14 (revised)	:	Leases (effective for periods commencing on or after 1st July, 2000)
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

The changes to the Group's accounting policies and the effect of adopting these new policies is set out below:

In prior years, advertising and promotional expenditure were capitalised and amortised using the straight-line method over a period of not more than three years. The adoption of SSAP 29 has led to a re-assessment of this accounting policy. In particular, advertising expenses are not considered to give rise to an identifiable resource from which economic benefits are expected to flow up to the Group. Accordingly, such expenditure is now recognised as an expense in the period in which it is incurred. The change in accounting policy has been applied retrospectively resulting in a decrease in the retained profits at 1st January, 2000 of HK$14,951,478 and the Group's net profit for the year ended 31st December, 2000 of HK$1,047,796.

Goodwill arising on consolidation represents the excess of cost of acquisition of subsidiary and associate over the Group's share of the fair value ascribed to the separable net assets at the date of acquisition. In prior years, goodwill was taken to the reserves in the year in which it arose. With the introduction of SSAP 30, the Group has adopted the transitional provisions prescribed therein. New goodwill incurred after 1st January, 2001 is capitalised in the balance sheet and is amortised to the profit and loss account on a stright-line basis over its estimated useful economic life. All goodwill arising from earlier acquisitions before 1st January 2001 will continue to be held in reserves and no reinstatement has been made.

In accordance with the requirements of SSAP 31 and the transitional provisions of SSAP 30, an adjustment has been made concerning the impairment of goodwill arising prior to the adoption of SSAP 30 which was eliminated against available reserves. The adjustment, which represents a change in accounting policy, has been applied retrospectively in accordance with SSAP 2 "Net profit or loss for the period, fundamental errors and changes in accounting policies". Accordingly, goodwill in the amount of HK$16,558,952 which was impaired in prior years has been recognised directly in the prior years' retained profits as brought forward at 1st January, 2000.

2. **Other Revenues**

	For the period from 1st January, 2001 to 31st May, 2002	For the year ended 31st December, 2000
	HK$'000	*HK$'000*
Other revenues comprised:		
Dividend income from non-trading securities	2,625	—
Rental income	241	241
Interest income	11,913	11,417
Management fee	6	628
Negative goodwill of investment in a subsidiary	144	—
Gain on disposal of fixed assets	91	—
Gain on disposal of intangible assets	2,696	—
Compensation received	10,234	—
Exchange gain, net	1,164	—
Others	5,228	94
	34,342	12,380

3. **Taxation**

Taxation comprised:

	For the period from 1st January, 2001 to 31st May, 2002	For the year ended 31st December, 2000
	HK$'000	*HK$'000*
Company and subsidiaries —		
Current taxation		
Hong Kong profits tax		
— Provision for current period/year	2,500	4,500
— Under provision in prior years	—	115
Overseas taxation		
— Provision for current period/year	954	263
— Overprovision in prior years	(10)	(268)
	3,444	4,610
Associate —		
Current taxation		
Hong Kong profits tax		
— Provision for current period/year	—	—
Overseas taxation		
— Provision for current period/year	—	—
	3,444	4,610

Hong Kong profits tax was provided at the rate of 16% (2000: 16%) on the estimated assessable profit arising in or derived from Hong Kong. Overseas income tax was provided by subsidiaries with overseas operations on their estimated assessable profits for the period/year at the tax rates applicable in the countries in which the subsidiaries operated.

4. **Earnings per share**

Basic earnings per share

Basic earnings per share was calculated based on the consolidated profit attributable to shareholders for the 17-month period ended 31st May, 2002 of approximately HK$42,286,000 (2000: HK$42,630,000) and the weighted average number of ordinary shares of approximately 310,204,000 (2000: 310,144,100) in issue during the period after taken into account of consolidation of 10 shares into 1 share.

Diluted earnings per share

There is no diluted earnings per share for the 17-month period ended 31st May, 2002 since the Company has no diluted potential ordinary share. Diluted earnings per share for the year ended 31st December, 2000 was calculated based on the consolidated profit attributable to shareholders for the year of approximately HK$42,630,000 and the weighted average number of ordinary shares of approximately 311,087,000 that would be in issue having been adjusted to reflect the effect of all dilutive potential ordinary shares issuable during the year and the consolidation of 10 shares into 1 share.

DIVIDENDS

First interim dividend of HK0.15 cent (2000: HK0.38 cent) per share was paid on 15th November, 2001. With a view to enabling continuous business growth through defined strategies including appropriate strategic alliance and fusion and thereby enhancing our shareholder value, the Directors do not recommend payment of any final dividend for the period from 1st January, 2001 to 31st May, 2002 (2000: Nil).

OPERATIONS REVIEW AND PROSPECTS

Change of year end

The change, which conforms with that of our holding company, EganaGoldpfeil (Holdings) Limited ("EganaGoldpfeil"), a multi-brand fashion accessory powerhouse listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), is with a view to enhancing operating efficiency and to providing a more evenly distributed financial performance reporting in our interim and annual results announcements, thereby promoting further transparency and better corporate governance for the benefit of the Company and our stakeholders.

Consolidated fundamentals for business growth, during world economic downturn

Since the "September 11" event, the world economy has been subject to certain downturn within various jurisdictions even being at the edge of recession. This has led to sharp decline in revenue and profitability for many businesses, including jewellery operations which has on average reflected an income shrinkage of over 30%.

Our 17-month results to 31st May, 2002 showed sales revenue of HK$856 million (2000: HK$671 million); profit from operations of HK$68 million (2000: HK$64 million); distributable earnings of HK$42 million (2000: HK$43 million); and shareholder funds of HK$406 million (2000: HK$337 million).

Established brandname portfolio sets the platform for business growth

Our annualized sales revenue in 2001/02 represents a modest drop of less than 10% as compared to 2000's, which translates into an above average performance. Since our listing in July 1998 up to 2000, we have been focusing on building up our portfolio of established brandnames for jewellery, including Esprit, Goldpfeil, Kazto, Jacquelin, Pierre Cardin, and Yamato Perlen, which sets a platform to further grow our core business.

2001/02 was essentially a time to focus on product and business development to prepare for the challenges ahead of us due to the worsening economic environment prevailing throughout the period. In retrospect, this development strategy proved to be appropriate and we did not get caught up in the craze of acquiring potential businesses/ brandnames at inflated valuations.

Latest additions to brand portfolio: JOOP!, MEXX and Abel & Zimmermann

In the period under review, we have added onto our brand portfolio the exclusive licence for JOOP! jewel, the ownership of Abel & Zimmermann, a renowned prestigious fine jewellery brand, and MEXX distribution right in Germany and Austria.

JOOP! has strong business activities in Germany, respectively Europe and is envisaged to have sound potential in Asia. Abel & Zimmermann, a German brand since 1885, having 60% of its revenue from US and 40% from Europe, is well poised to help the Group expand into the US elite jewellery market through a focus differentiation approach. The brand is complementary to the concept for Kazto and Jacquelin collections. These upscale brand names are being introduced to an enlarged customer portfolio, with synergies being realized.

MEXX is a mid-priced contemporary lifestyle brand and our cooperation with MEXX will bring an additional fashion theme to our brandname portfolio.

"Consumer-centred" strategy for Goldpfeil Jewellery

Echoing the warm welcome of Goldpfeil Geneve watch collections, Goldpfeil prestigious jewellery masterpieces will be introduced in 4Q 2002 to accompany the watches to the professional and well bred with their desire to be fully attained. The collection is modeled in line with the "consumer-centred" strategy adopted by Goldpfeil which enables us to provide products and services that exceed our consumers' expectation. Thus, we have been (and will continue) innovating products that our consumers are to have a better experience and greater enjoyment of them. We are well on track to realizing Goldpfeil's vision of being a truely global lifestyle brand through provision of quality and innovative products and services as well as a luxury atmosphere of shopping experience.

JOOP! licence and MEXX appointment are strategic fits

In 2001/02, we continued our ongoing efforts to capitalize upon our dominant presence in Europe as a trendsetter in designing, manufacturing and distributing innovative and high quality jewellery. Our status as a trendsetter in the fashion accessory industry has once again been recognized with Esprit Jewel being ranked a top three bestseller in the trendy jewellery segment by German retailers in 2001, the fourth consecutive year we have been granted this honor. During the Inhorgenta Fair (the largest watch and jewellery fair in Germany) and Basel fair (the world's largest watch and jewellery fair) held in February and April 2002, Esprit Jewel has taken a strong lead in the fashion jewellery segment. The encouraging response to MEXX Jewel and JOOP! jewellery in the fairs is a direct endorsement of our role as a trendsetter for fashion conscious consumers in the jewellery segment.

Vertically Integrated Business Model provides better leverage and sets a stronger platform

We have established our own product development and/or production facility in Germany (Abel & Zimmermann), Thailand (Keimothai), Hong Kong (Oro Design), the PRC (Speidel) and US (Egana Jewelry), to support the global distribution undertaken by the Group's own operating presence in Germany, Austria, Italy, US, Japan, Hong Kong, Thailand and India in conjunction with its strategic distributors / partners in 40 countries around the globe. This vertically integrated business model allows the Group to capture market changes in a more cost-effective manner. To strengthen the manufacturing support, a joint venture has recently been entered into with an Israel diamond supplier group, for servicing our upscale and luxury jewellery lines for the American market. In the PRC, we have established an additional jewellery plant with the transplantation of the Speidel knowhow, to address the silver, fashion and costume jewellery for the anticipated Asian market expansion.

Well positioned to extend proven European experience into Asia and US markets

Currently, the Company derived 81% of its revenue from Europe with 6% and 13% from Asia and US respectively.

Given the international stance of our brand portfolio (which is expected to be acceptable to the consumers in US and Asia), the proven communications program instituted in Europe (which can be rolled over to US and Asia in a cost-effective manner) and the established production facilities that can cater to the demand in various regions, the Company is well positioned to tap any emerging business opportunity in the PRC due to its admission to WTO and the substantial market size in the US market.

We are pleased to see that the communications expenditure and market development outlay incurred in the past 3 years for the US market are now making positive contribution. As evidenced in the first 5 months of 2002, there have already accrued operating profits in the US operations and long term programs have now been secured with certain reputable and established networks in US.

Medium term objective: increase contribution from Asia and US

Being the jewellery division of EganaGoldpfeil Group, we will enjoy the benefit of the operating efficiency program that is in the process of being instituted by EganaGoldpfeil in Europe, which increases cost-competitiveness for expansion into Asia and the US. Our objective is to increase the percentage of contribution from Asia and US to 25% each on an enlarged revenue basis in the medium term of 3 to 4 years' time; with a view that the Group's revenue is doubled, moving forward.

Operating efficiency program of EganaGoldpfeil Group further enhances cost-competitiveness for future expansion

The operating efficiency program in progress involves the formation of a "state-of-the-art" technology and logistics center to undertake the supply chain management function of the EganaGoldpfeil Group (including the jewellery division), and the centralization of the existing 5 operations in Germany as a European headquarters which is expected to contribute positively in the administration and management support activities. This is in line with the Group's philosophy of continuous improvement.

Operating profit which was HK$68 million for 2001/02 (2000: HK$64 million) will be gradually enriched upon reflecting synergies from the captioned operating efficiency program, improved production utilization and the business growth as anticipated.

Mission

We are committed to our defined mission to be a leading multi-brand jewellery powerhouse and accruing a double-digit growth in shareholder fund. During the period under review, distributable earnings were HK$42 million, which translates into shareholder value of HK$406 million as of 31st May, 2002, being 4 times of that at IPO in 1998. We will continue to cultivate opportunities within our operations, thereby allowing our existing internal resources to capitalize on the potential of our international brandname portfolio and to seek strong strategic partners for participation. To enhance our position in the industry, we will utilize our extensive resources to gain long-term business growth and strong competitive advantage through Quality Products and Services, Value Adding Activities and Innovativeness within our core competence.

FINANCIAL REVIEW

Group turnover shows an annualized drop of 10% to HK$856 million (US$110 million) for the 17 months to 31st May, 2002 (2002) as compared to HK$671 million (US$86 million) for the 12 months to 31st December, 2000 (2000). The turnover under achievement is relatively better than the 30% average industry sector contraction over the similar timeframe.

As indicated in 2001 second interim report, the drop in the turnover in the 12 months to 31st December, 2001 was due to the weak Euro. The Group has, by leveraging its inherent brand strength and parent company's distribution network, managed to show a promising revenue growth in the 5 months to 31st May, 2002 of 9% when compared to the first 12 months of 2001.

Geographical breakdown of 2002 turnover is Europe at 81% (84% in 2000), Asia Pacific at 6% (7% in 2000) and America at 13% (9% in 2000). While Asia Pacific performance given the regional economic difficulties, was encouraging, increasing American exposure is in line with Group's stated objective of America and Asia Pacific each contributing 25% in the long run.

In 2002, the operating profit from operations is HK$68 million (HK$64 million in 2000) or US$9 million (US$8 million in 2000). This translates into an operating profit margin of 8% (10% in 2000) and return on equity of 10% (13% in 2000). These results show an improving trend (operating margin at 13% for the period 5 months to 31st May, 2002) that is likely to continue, as the Group is in process of expanding manufacturing capacity to bring in-house currently outsourced production.

The Group has been able to meet increasing competitive challenges and the weakness in its main markets by not only striving to maintain its margins but also by keeping its costs under control. These efforts are reflected in the 9% fall in average annualized Distribution and Administration overheads for 5 months to 31st May, 2002, even though the overall 2002 figures are similar to 2000 figures. This reduction was partially achieved by targeted increase in the effectiveness of brand related expenditure that enabled the Group to maintain comparatively more profitable branded goods at 86% (86% in 2000) of the overall turnover.

Notwithstanding the difficult market conditions, with intense focus on active working capital management and continued credit risk evaluation, the Group managed to bring its debtor turnover days down to 45 days in 2002 from 51 days in 2000 and further ahead of the industry norm of 120 days.

The 2002 closing inventory of HK$179 million (US$23 million) is 3% higher than the 2000 figure of HK$174 million (US$22 million). Having regard to the expected seasonal increase in inventory levels during the spring to autumn period (with most of the major European and US trade shows falling in the first half of the year and Fall-Christmas sale planning and production occurring in summer), the closing inventory position is at a comfortable level. This shows that the management controls put in place are effective in reducing overall peak period working capital investment requirements.

In 2002, the Group financed its operations from internal resources and bank borrowings. The short-term bank borrowings for 2002 stand at HK$145 million (HK$115 million in 2000) or US$19 million (US$15 million in 2000). The current ratio of 1.8 and quick ratio of 1.2 are both ahead of industry averages, reflecting Group's sound liquidity position. Due to the positive operating cash flows, the available cash and cash equivalents are HK$121 million (HK$135 million in 2000) or US$16 million (US$17 million in 2000) in 2002. The management is confident that the available level of resources would be sufficient to meet foreseeable working capital requirements.

In 2002, the gearing ratio (total interest bearing debt/tangible net worth) is at a manageable 0.41, which is again below the market average of 1.1. The interest cover at 6 times further reinforces the Group's sound solvency position to prepare the Group for future business growth.

The Group practices natural hedging (having revenue and expenses denominated in the same currency) to the extent possible and has a practice of hedging currency notes as far as is reasonably practicable. Thus the foreign currency exposure has been properly contained.

The Group had no significant capital expenditure commitments as at 31st May, 2002.

Shareholder funds as of 31st May, 2002 stood at HK$ 406 million (HK$337 million in 2000) or US$52 million (US$43 million in 2000), representing 4 times the pre-listing figures of 1998. However, these figures do not take account of the Group's brand portfolio investments that are expensed out in the period they are incurred. To illustrate the point, 2002 net worth would increase by at least 14% or HK$58 million if the independent valuation of Pierre Cardin Jewellery as on 31st December, 2001 were incorporated in the financial statements. Independent valuation of the brand portfolio suggests that on an inclusion of such sum to the Group's net asset, the intrinsic value will exceed HK$1.3 billion.

EMPLOYEES

As at 31st May, 2002, the Group had approximately 1,900 employees whom were remunerated based on their experience, their qualifications and the Group's performance and market conditions.

CLOSURE OF REGISTER OF MEMBERS

To establish shareholder's entitlement for attending the Company's annual general meeting on 30th October, 2002, the Company's register of members will be closed from 25th October, 2002 to 30th October, 2002 (both days inclusive). No transfers of shares will be recorded during such period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its securities (whether on the Stock Exchange or otherwise) during the period from 1st January, 2001 to 31st May, 2002.

CODE OF BEST PRACTICE

Except that the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the annual report, in compliance with Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All the information required by paragraphs 45(1) to 45(3) inclusive of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

On behalf of the Board
Hans-Joerg SEEBERGER
Chairman and Chief Executive

Hong Kong, 19th September, 2002

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Egana Jewellery & Pearls Limited (the "Company") will be held at Ching Room, 4/F., Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on 30th October, 2002 at 11:00 a.m. for the following purposes:—

1. To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the period from 1st January, 2001 to 31st May, 2002.

2. To re-elect Directors and to authorise the Directors to fix their remuneration.

3. To appoint Auditors for the ensuing year and to authorise the Directors to fix their remuneration.

4. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:—

    (A) **"THAT:—**

    (a) subject to paragraph (c) of this Resolution and without prejudice to Resolution 4(C) set out in the Notice of this Meeting, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to issue, allot and deal in shares of HK$0.50 each in the capital of the Company (the "Shares") and to issue, allot or grant securities convertible into the Shares or options, warrants or similar rights to subscribe for any Shares in the Company or such convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

    (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or 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 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);

        (ii) any scrip dividend scheme or similar arrangements implemented in accordance with the Articles of Association of the Company; or

(iii) an issue of the Shares under the share option scheme of the Company or any similar arrangements for the time being adopted by the Company for the grant or issue to employees or directors of the Company and/or any of its subsidiaries of the Shares or right to acquire the Shares;

shall not exceed 20% 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;

(d) for the purposes 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 expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; and

(iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the Directors to holders of the Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory)."

(B) **"THAT:—**

(a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in Resolution 4(A)(d) set out in the Notice of this Meeting) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited or on any other exchange on which the Shares may be listed and which is recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited (the "Recognised Stock Exchange"), subject to and in accordance with all applicable laws, and in accordance with the provisions of, and in the manner specified in, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the rules of any other Recognised Stock Exchange, be and is hereby generally and unconditionally approved; and

(b) the aggregate nominal amount of the Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval 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 the passing of this Resolution and the said approval shall be limited accordingly."

(C) **"THAT** subject to the passing of Resolution 4(A) and 4(B) set out in the Notice of this Meeting, the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to and in accordance with the approval given in Resolution 4(A) set out in the Notice of this Meeting be and is hereby increased and extended by the addition of the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to and in accordance with the approval given in Resolution 4(B) set out in the Notice of this Meeting provided that such amount shall not exceed the aggregate nominal amount of the Shares repurchased pursuant to the said Resolution 4(B) and the said approval shall be limited accordingly."

By Order of the Board
Lillian WONG
Company Secretary

Hong Kong, 19th September, 2002

Notes:

1. Any member entitled to attend and vote may appoint one or more proxies to attend the meeting instead of him and to vote on a poll. A proxy need not be a member of the Company.

2. 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 that power of authority shall be deposited at the principal place of business of the Company at Block C6, 12th Floor, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting (or adjourned meeting, as the case may be).

3. The register of members of the Company will be closed from 25th October, 2002 to 30th October, 2002, both days inclusive, for the purpose of establishing entitlements of the shareholders of the Company to attend the Company's annual general meeting. During such period, no transfer of the Shares can be registered.

4. A circular containing further details regarding Resolution 4 above will be sent to the shareholders of the Company as soon as practicable.

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