



SAINT HONORE HOLDINGS LIMITED

聖安娜控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 192)

Website: <http://www.sthonore.com>

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2004

RESULTS HIGHLIGHT	2004 HK\$'000	2003 HK\$'000	Change + / (-)
Turnover	537,516	494,492	8.7%
Profit before taxation and gain on disposal/ (deficit on revaluation) of an investment property	45,771	30,012	52.5%
Gain on disposal/(deficit on revaluation) of an investment property	7,159	(4,586)	N/A
Profit before taxation	52,930	25,426	108.2%

The board of directors (the "Board") of Saint Honore Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2004 as follows:

AUDITED CONSOLIDATED RESULTS

	Note	2004 HK\$'000	2003 HK\$'000
Turnover	2	537,516	494,492
Other revenues	3	1,702	1,639
Costs of inventories consumed		(158,127)	(143,508)
Staff costs	4	(170,163)	(155,765)
Operating lease rentals		(48,542)	(50,091)
Depreciation of fixed assets		(29,823)	(28,623)
Other operating expenses		(82,192)	(83,532)
Amortisation of intangible assets		(4,600)	(4,600)
Gain on disposal/(deficit on revaluation) of an investment property		7,159	(4,586)
Profit before taxation	5	52,930	25,426
Taxation	6	(7,571)	(6,897)
Profit attributable to shareholders		45,359	18,529
Dividends	7	27,342	10,793
Earnings per share	8		
Basic		22.6 cents	9.4 cents
Diluted		21.9 cents	9.2 cents

Notes:

1. Principal accounting policies

In the current year, the Group adopted the revised Statement of Standard Accounting Practice ("SSAP") No.12 "Income Taxes" (Revised) issued by the Hong Kong Society of Accountants ("HKSA") which is effective for accounting periods commencing on or after 1 January 2003.

The principal effect of implementation of SSAP 12 (Revised) is in relation to deferred tax. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognized in respect of all temporary differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxation profit, with limited exceptions. The adoption of SSAP 12 (Revised) has no material effect on the results for the current and prior accounting periods.

2. Turnover and segment information

An analysis of the Group's turnover and results for the year by business segments is as follows:

	Bakery <i>HK\$'000</i>	2004 Eatery <i>HK\$'000</i>	Group <i>HK\$'000</i>	Bakery <i>HK\$'000</i>	2003 Eatery <i>HK\$'000</i>	Group <i>HK\$'000</i>
Turnover	508,386	29,130	537,516	466,793	27,699	494,492
Segment results	42,982	1,679	44,661	27,724	1,352	29,076
Unallocated revenue			8,269			936
Unallocated expense			–			(4,586)
Profit before taxation			52,930			25,426
Taxation			(7,571)			(6,897)
Profit attributable to shareholders			45,359			18,529

Unallocated revenue included a gain on disposal of an investment property amounted to around HK\$7.2 million.

No geographical segment information is provided as less than 10% of the Group's turnover and less than 10% of the consolidated results of the Group is attributable to markets outside Hong Kong and Macau.

3. Other revenues

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Interest income	592	703
Rental income from an investment property	542	936
Rental income from other properties	568	–
	1,702	1,639

4. Staff costs and remuneration policy

As at 31 March 2004, the Group had a total of 1,748 (2003: 1,670) full time employees. Employees are remunerated based on basic salaries and sales incentives which are only payable to some operational staff. Bonuses were discretionary in nature and were based on the performance of the employees and the Group. The Company has adopted a share option scheme to provide incentive to working staff. During the year, the employees of the Company exercised most of their share options granted under the share option scheme.

5. Profit before taxation

Profit before taxation is stated after charging the following:

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Auditors' remuneration	733	745
Non-audit service fees paid to the Company's auditors	214	152
Loss on disposal of fixed assets	347	81
Net exchange losses	512	679

6. Taxation

The amount of taxation charged to the audited consolidated results represents:

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Current taxation		
Hong Kong profits tax	6,419	6,576
Overseas taxation	2,422	640
Overprovision in prior years	(49)	(355)
Deferred taxation	(1,221)	36
Taxation charge	7,571	6,897

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 16%) on the estimated assessable profits for the year. In 2003, the Hong Kong Government enacted a change in the profits tax rate from 16% to 17.5% for the fiscal year 2003/2004. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

7. Dividends

	2004 HK\$'000	2003 HK\$'000
Interim, paid, of HK4.0 cents (2003: HK2.0 cents) per ordinary share	8,311	3,925
Final, proposed, of HK9.0 cents (2003: HK3.5 cents) per ordinary share	19,031	6,868
	<u>27,342</u>	<u>10,793</u>

8. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following:

	2004 HK\$	2003 HK\$
Earnings		
Earnings for the purpose of the calculation of basic and diluted earnings per share	<u>45,358,971</u>	<u>18,528,965</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of the calculation of basic earnings per share	200,753,104	196,229,000
Effect of dilutive potential ordinary shares	<u>6,181,846</u>	<u>4,672,171</u>
Weighted average number of ordinary shares for the purpose of the calculation of diluted earnings per share	<u>206,934,950</u>	<u>200,901,171</u>

FINAL DIVIDEND

The directors recommend a final dividend of HK9.0 cents (2003: HK3.5 cents) per ordinary share for the year ended 31 March 2004 to be payable to shareholders whose names appear in the register of members of the Company on 26 August 2004. Subject to the passing of the necessary resolutions at the forthcoming annual general meeting, such dividend will be payable on or about 7 September 2004.

CLOSURE OF REGISTER

The register of members of the Company will be closed from 21 August 2004 (Saturday) to 26 August 2004 (Thursday), both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-6, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 20 August 2004 (Friday).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The past twelve months have been a rewarding year for the Group. Despite the outbreak of Severe Acute Respiratory Syndrome ("SARS") earlier on which affected most businesses in Hong Kong, we rebounded in no time following the introduction by the Central Government of various policies favoring the recovery of Hong Kong economy. Making use of the improved economic environment, we had launched several large scale marketing campaigns which succeeded in boosting our turnover, especially for the sales of our normal cake and bread products. With the benefit of cost savings achieved from our Shenzhen production lines, we are now able to offer more discounts to our customers. Though our gross profit margin suffered slightly and fell from 71.0% to 70.6%, overall turnover increased by 8.7% and with our conscious effort to contain our fixed costs, our operating profit before taxation soared to a record figure of HK\$45.8 million, before adding the exceptional profit from disposal of an investment property.

Turnover contribution from PRC continued to improve despite no change in the number of outlets there. Turnover in the PRC has increased by 70% mainly from the sales of our mooncake products as our brand is now well recognized locally following the winning of various national awards such as the "Famous Mooncake" and "National Hygiene Quality Standard". In fact, the PRC market is now making positive contribution to our bottom line.

We also took advantage of the recent property market boom and restructured our property portfolio by disposing an investment property in Causeway Bay and replaced it with a shop premise at Yuen Long, which we will take over eventually for self-use. We realized a capital gain of HK\$7.2 million from the disposal.

Prospect

Although there are clear signs of a gradual recovery of the Hong Kong economy, we can sense our customers are still very price sensitive. This is evidenced from the comparatively lower turnover growth recorded from our festive products which are normally considered by many as being luxury products rather than daily necessities. On the other hand, we are starting to feel the pressure from rising costs: we foresee higher rental will be demanded by landlords as the local retail market continues to pick up and higher material costs ahead as world commodity prices have escalated. Profit margin erosion may be inevitable and we have to exercise restraint on outlet expansion in order not to jack up our fixed costs unnecessarily.

The lower production costs enjoyed by our Shenzhen plant enable us to compete favourably against other bakery operators, but this comparative advantage will lose its effectiveness in time when our competitors follow suit. We must invest continuously to acquire new know-how, equipment as well as to keep up with the latest trend in shop layout and design so as to maintain our leadership in product quality and market image.

We have already established a firm hold in Guangzhou and more outlets will be opened in the coming year. We are confident that "Saint Honore" will be recognized as one of the leading brands there.

Liquidity and Capital Resources

Our freely-held cash on hand increased from HK\$92.2 million as at 31 March 2003 to about HK\$131.0 million as at 31 March 2004 even though we have spent approximately HK\$37.1 million on new capital expenditure. The Group's financial position stays healthy with zero gearing. The Group plans to invest about HK\$45.0 million mainly to expand and upgrade the outlet network and production capacity. These projects will be financed internally and we do not have any need for external fund raising.

Pledge of Assets

No assets were pledged as at 31 March 2004.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group conducts most of its business transactions in currencies of Hong Kong dollars and Renminbi ("RMB"). To reduce the Group's exposure to the recent speculation of a revaluation of RMB, we have taken out forward contracts on a running twelve month basis to cover regular payments in this currency. As at 31 March 2004, the Group has committed RMB forward exchange contracts which amounted to HK\$23 million and expiring within the next financial year (2003: Nil).

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 March 2004.

SUBSEQUENT EVENTS

Subsequent to 31 March 2004, the Group entered into sale and purchase agreement for disposal of a property in Macau for a total cash consideration of HK\$36.3 million. This disposal will be completed on or before 16 August 2004. The capital gain on disposal of the property is approximately HK\$25 million.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the HKSA. The Committee comprises three independent non-executive directors, namely Dr. Cheung Wai Lam, William, Dr. Ho Sai Wah, David, Mr. Bingley Wong and also one non-executive director, Mr. Chan Ka Lai, Joseph.

The Committee is responsible for reviewing the Group's financial reporting process, internal controls and risk evaluation and two meetings were held during the year. The Committee had reviewed the Group's results for the year ended 31 March 2004 before they were tabled for the Board's review and approval.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in the Appendix 14 of the Listing Rules except in relation to guideline No. 7 that the service contracts of non-executive directors were renewed with no specific tenure, but they are determinable by either party with at least one month written notice in advance.

DETAILED RESULTS ANNOUNCEMENT ON EXCHANGE'S WEBSITE

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 of Hong Kong Limited in due course.

As at the date of this announcement, the Board comprises Mr. Chan Wai Cheung, Glenn, Mr. Shum Wing Hon, Ms. Wong Man Li, Carrina, Mr. Chan Ka Shun, Raymond and Mr. Wong Chung Piu, Billy as executive directors, Mr. Chan Ka Lai, Joseph and Mrs. Chan King Catherine as non-executive directors, and Dr. Cheung Wai Lam, William, Dr. Ho Sai Wah, David and Mr. Bingley Wong as independent non-executive directors.

On behalf of the Board
Chan Wai Cheung, Glenn
Chairman

Hong Kong, 8 July 2004

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Saint Honore Holdings Limited (the “Company”) will be held at World Trade Centre Club Hong Kong, 38/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 26 August 2004 (Thursday) at 3:30 p.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2004.
2. To declare a final dividend for the year ended 31 March 2004.
3. To re-elect directors of the Company (the “Directors”) and to authorise the Board to fix their remuneration.
4. To appoint auditors for the ensuing year and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

5. (1) As Ordinary Resolution No. 5(1):

“THAT:

- (a) subject to paragraph (c) of this Ordinary Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) of the Ordinary Resolution No. 5(2) below) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) 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 Ordinary Resolution shall authorise the Directors during the Relevant Period (as defined in paragraph (c) of the Ordinary Resolution No.5(2) below) to make and grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) to subscribe for shares in the Company which would or might require the exercise of such power after the end of the Relevant Period (as defined in paragraph (c) of the Ordinary Resolution No. 5(2) below);
- (c) the aggregate nominal amount of share capital allotted, issued or dealt with 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 Ordinary Resolution, otherwise than pursuant to (i) a Rights Issue (as defined hereinafter), or (ii) the exercise of the rights of subscription or conversion under the terms of any securities of the Company which carry the right to subscribe or are convertible into shares in the Company, or (iii) the exercise of options which may be granted under any share option scheme of the Company, or (iv) an issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company from time to time, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Ordinary Resolution and the said approval shall be limited accordingly; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of 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 having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory applicable to the Company).”

(2) As Ordinary Resolution No. 5(2):

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to repurchase securities of the Company 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 recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of securities of the Company repurchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 5% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purpose of the Ordinary Resolution Nos. 5(1) and 5(2), “Relevant Period” means the period from the passing of Ordinary Resolutions Nos. 5(1) and 5(2) until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (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 or the Companies Act 1981 of Bermuda or any applicable laws of Bermuda to be held; or
 - (iii) the revocation or variation of Resolutions Nos. 5(1) or 5(2) by an ordinary resolution of shareholders of the Company in general meeting.”

(3) As Ordinary Resolution No. 5(3):

“**THAT** conditional upon Resolution No. 5(1) and Resolution No. 5(2) mentioned above being passed, the aggregate nominal amount of the share capital of the Company which shall have been repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No.5(2) above (up to the maximum of 5% of the aggregate nominal amount of the share capital of the Company as stated in Resolution No.5(2) above) shall be added to the aggregate nominal amount of the share capital that may be allotted, issued or otherwise dealt with, or agreed conditionally and unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to Resolution No.5(1) above.”

6. As Special Resolution:

“**THAT** the Bye-laws of the Company be and are amended in the following manner:–

- (a) by inserting the following new definitions in Bye-law 1:

““associate” as defined by the rules, where applicable, of the Designated Stock Exchange;”

““Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and any amendments thereto for the time being in force;”

- (b) by adding the following new Bye-law Article 77A immediately after the existing Bye-law 77:

“77A. Where the Company has knowledge that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

- (c) by deleting the existing Bye-law 88 in its entirety and substituting therefor the following:

“88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such Notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

- (d) by deleting Bye-law 103 in its entirety and substituting therefor the following:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates is/are materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement or proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement or proposal in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement or proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company provided that the Director, and any of his associate(s) are, not in aggregate beneficially interested in five per cent. (5%) or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
- (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors, his associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.

- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five per cent. (5%) or more if and so long as (but only if so long as) he and/or his associate(s), (either directly or indirectly) are the holders of or beneficially interested in five per cent. (5%) or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their interest or that of any of his associate(s) is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.

- (3) Where a company in which a Director and/or together with his associate(s) holds five per cent. (5%) or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”

By Order of the Board
Lucy Wong
Company Secretary

Hong Kong, 8 July 2004

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or certified by a notary or an official copy of that power of attorney or authority, must be deposited at the Company's principal office at 5/F, Express Industrial Building, 43 Heung Yip Road, Wong Chuk Hang, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
3. The register of members will be closed from 21 August 2004 (Saturday) to 26 August 2004 (Thursday), both days inclusive, during which period no transfers of shares will be effected. To determine entitlement to the recommended final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-6, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 20 August 2004 (Friday).
4. With regard to the business referred to in paragraph 5 above, the directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company or to repurchase any issued shares of the Company.
5. With respect to Resolution No.3 above, Mrs. Chan King Catherine and Dr. Cheung Wai Lam, William will retire at the meeting convened by the above notice, and being eligible, offer themselves for re-election. Details of the abovementioned Directors are set out in the Company's circular in connection with proposals for re-election of Directors, general mandates to issue and repurchase shares and amendments to Bye-laws to be despatched to members of the Company together with the 2004 Annual Report.

“Please also refer to the published version of this announcement in China Daily”.