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**POWER JADE LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

**THE KWONG SANG HONG INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

**Stock Code: 189**

**RESULTS OF THE COURT MEETING AND THE SPECIAL GENERAL MEETING  
RELATING TO  
PROPOSED PRIVATISATION OF  
THE KWONG SANG HONG INTERNATIONAL LIMITED  
BY POWER JADE LIMITED  
(TRADING AS POWER JADE CAPITAL LIMITED)  
BY WAY OF A SCHEME OF ARRANGEMENT**

The Scheme was approved at the Court Meeting and the Special General Meeting.

At the request of KSH, trading in the KSH Shares was suspended with effect from 9:30 a.m. on Wednesday, 5th January, 2005 pending the release of this announcement. An application has been made to the Stock Exchange requesting the resumption of trading in the KSH Shares with effect from 9:30 a.m. on Thursday, 6th January, 2005.

This announcement is made further to the scheme document dated 13th December, 2004 despatched to the KSH Shareholders in relation to the Proposal (the "Scheme Document"). Capitalised terms used in this announcement shall have the same meanings as defined in the Scheme Document unless the context herein requires otherwise.

**RESULTS OF THE COURT MEETING AND THE SPECIAL GENERAL MEETING**

The KSH Directors announce that:

- (i) at the Court Meeting held on Wednesday, 5th January, 2005, 76 KSH Independent Shareholders, representing 6,015,119 Scheme Shares, and HKSCC Nominees Limited\*, representing 171,107,162 Scheme Shares (equivalent to a total of 177,122,281 Scheme Shares (amounting to approximately 18.5% of the issued KSH Shares and approximately 47.5% of the Scheme Shares held by all the KSH Independent Shareholders)), voted either in person or by proxy or, in the case of a corporation, by a duly authorised representative. Of these, 62 KSH Independent Shareholders and HKSCC Nominees Limited\*, representing a total of 157,166,119 Scheme Shares, voted in favour of the Scheme (amounting to approximately 88.7% of the Scheme Shares voted at the Court Meeting) and, 14 KSH Independent Shareholders and HKSCC Nominees Limited\*, representing a total of 19,956,162 Scheme Shares, voted against the Scheme (amounting to approximately 11.3% of the Scheme Shares voted at the Court Meeting and approximately 5.3% of the Scheme Shares held by all the KSH Independent Shareholders).

*\*Note: HKSCC Nominees Limited, a KSH Independent Shareholder, voted as nominee in one of its proxies for 171,107,162 Scheme Shares, of which 152,416,750 Scheme Shares were voted for and 18,690,412 Scheme Shares were voted against the Scheme.*

As the Scheme was approved by a majority in number of the KSH Independent Shareholders present and voting either in person or by proxy or, in the case of a corporation, by a duly authorised representative at the Court Meeting representing not less than three-fourths in value of the Scheme Shares that were voted either in person or by proxy by the KSH Independent Shareholders (by way of poll) and was not disapproved by more than 10% of the Scheme Shares held by all the KSH Independent Shareholders, the resolution to approve the Scheme was duly passed;

- (ii) at the Special General Meeting held on Wednesday, 5th January, 2005, voting by way of poll was demanded by the chairman of the Special General Meeting. A total of 959,899,416 KSH Shares (i.e. the entire issued share capital of KSH) were entitled to attend and vote for or against the special resolution at the Special General Meeting. Of these, a total of 764,852,078 KSH Shares were voted either in person or by proxy. 743,733,666 KSH Shares (representing approximately 97.2% of the KSH Shares voted at the Special General Meeting) voted for the special resolution and 21,118,412 KSH Shares (representing approximately 2.8% of the KSH Shares voted at the Special General Meeting) voted against the special resolution. The special resolution to approve and give effect to the Scheme was duly passed by not less than three-fourths of the votes cast by the KSH Shareholders present and voting in person or by proxy; and

- (iii) the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, was appointed as the scrutineer in the Court Meeting and the Special General Meeting for the purpose of vote-taking.

## EFFECTIVE DATE OF THE PROPOSAL

The Scheme will become effective when it is sanctioned (with or without modification) by the Supreme Court and an office copy of the Supreme Court order is delivered to the Registrar of Companies in Bermuda for registration and is registered. Registration is expected to take place in the morning on Friday, 21st January, 2005 (Bermuda time) (which will be the evening on Friday, 21st January, 2005 (Hong Kong time)). The KSH Shareholders will be notified of the exact date on which the Proposal becomes effective by further press announcement.

The Scheme will lapse if it does not become effective on or before Thursday, 31st March, 2005 (or such other date as Power Jade and KSH may agree or as the Supreme Court may direct), and the KSH Shareholders will be notified accordingly by way of a press announcement.

## EXPECTED TIMETABLE

The KSH Shareholders should note that the expected timetable for the Proposal is as follows:

*Hong Kong time*

2005

Supreme Court hearing of the petition to sanction the Scheme ( <i>Note 1</i> ) .....	Friday, 14th January
Last day for dealings in the KSH Shares .....	Monday, 17th January
Latest time for lodging transfers of the KSH Shares to qualify for the Cancellation Price under the Scheme .....	4:00 p.m. on Thursday, 20th January
Record Time .....	4:30 p.m. on Thursday, 20th January
Effective Date ( <i>Note 2</i> ) .....	Friday, 21st January
Press announcement on the Effective Date and withdrawal of listing of the KSH Shares in The Standard and the Hong Kong Economic Times .....	Monday, 24th January
Withdrawal of the listing of the KSH Shares on the Stock Exchange becomes effective ( <i>Note 2</i> ) .....	9:30 a.m. on Monday, 24th January
Cheques for cash payment under the Scheme to be despatched on or before .....	Monday, 31st January

- All references to times and dates are references to Hong Kong times and dates, other than the reference to the expected date for the Supreme Court hearing of the petition to sanction the Scheme, which is a reference to the relevant date in Bermuda. For the period from 1st November, 2004 to 2nd April, 2005, Bermuda time is twelve hours behind Hong Kong time.*
- The Scheme will become effective when it is sanctioned (with or without modification) by the Supreme Court and an office copy of the Supreme Court order is delivered to the Registrar of Companies in Bermuda for registration and is registered. Registration is expected to take place in the morning on Friday, 21st January, 2005 (Bermuda time) (which will be the evening on Friday, 21st January, 2005 (Hong Kong time)). However, in the event that not all of the Conditions have been fulfilled (or, as applicable, waived) by Friday, 14th January, 2005, being the proposed date of the Supreme Court hearing of the petition to sanction the Scheme, the timetable of events thereafter will be subject to change. KSH Independent Shareholders should note the Conditions to the Proposal set out in the Scheme Document.*

## APPLICATION FOR WITHDRAWAL OF LISTING

An application for the withdrawal of the listing of the KSH Shares has been made to the Stock Exchange. Subject to the approval of the Stock Exchange, it is expected that the last day of dealing in the KSH Shares on the Stock Exchange will be on Monday, 17th January, 2005 and the listing of the KSH Shares on the Stock Exchange will be withdrawn with effect from 9:30 a.m. on Monday, 24th January, 2005.

## REGISTRATION AND PAYMENT

Scheme Shareholders should ensure that their KSH Shares are lodged for registration in their names or in the names of their nominees with the Hong Kong branch share registrars of KSH, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 20th January, 2005 in order to qualify for their entitlements under the Proposal. Cheques for cash entitlements to the Cancellation Price are expected to be despatched to the Scheme Shareholders and/or their respective successors on or before Monday, 31st January, 2005.

## SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of KSH, trading in the KSH Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 5th January, 2005 pending the release of this announcement. An application has been submitted to the Stock Exchange for the resumption of trading in the KSH Shares with effect from 9:30 a.m. on Thursday, 6th January, 2005.

By Order of the board of  
**Power Jade Limited**  
**Thomas Lau, Luen-hung**  
*Director*

By Order of the board of  
**The Kwong Sang Hong International Limited**  
**Thomas Lau, Luen-hung**  
*Chairman*

5th January, 2005

*As at the date of this announcement, the KSH Board comprises Mr. Thomas Lau, Luen-hung, Mr. Joseph Lau, Luen-hung, Mr. Simon Lo, Lin-shing and Mr. Wilson Cheng, Kam-biu as executive directors; Mr. Gerald To, Hin-tsun and Ms. Loretta Lau, Suk-han as non-executive directors; and Mr. Alan Lam, Man-bun, Ms. Phillis Loh, Lai-ping, Mr. Matthew Hui, Chuen-fan and Mr. William Tsui, Hing-chuen as independent non-executive directors.*

*The KSH Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to Power Jade) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to Power Jade) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to Power Jade), the omission of which would make any statements in this announcement (other than those relating to Power Jade) misleading.*

*The directors of Power Jade jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the KSH Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the KSH Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to the KSH Group), the omission of which would make any statements in this announcement (other than those relating to the KSH Group) misleading.*

Websites: <http://www.kwongsanghong.com.hk>  
<http://www.iprasia.com/listco/ksh>

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