

Final Results Announcement for the Year Ended 31 December 2003

The Board of Directors of PORTS DESIGN LIMITED ("PORTS" or the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2003:

CONSOLIDATED INCOME STATEMENT (Expressed in Renminbi Yuan)

	Note	<i>For the Year ended 31 December,</i>	
		2003	2002
Turnover	2	584,639,973	469,737,982
Cost of sales		<u>(247,926,143)</u>	<u>(175,277,732)</u>
Gross profit		336,713,830	294,460,250
Other operating income		7,886,301	8,851,881
Distribution expenses		(185,056,585)	(160,738,303)
General and administrative expenses		<u>(18,621,518)</u>	<u>(16,600,802)</u>
Other operating expenses		(21,811,216)	(16,995,770)
Profit from operations		119,110,812	108,977,256
Net finance costs		<u>(3,243,925)</u>	<u>(4,730,726)</u>
Profit from ordinary activities before taxation	3	115,866,887	104,246,530
Income tax expenses	4	<u>(8,358,258)</u>	<u>(11,327,589)</u>
Profit attributable to shareholders		<u>107,508,629</u>	<u>92,918,941</u>
Dividends attributable to the year:			
Dividend declared during the year		35,000,000	60,000,000
Final dividend proposed after the balance sheet date		<u>31,236,300</u>	<u>-</u>
		<u>66,236,300</u>	<u>60,000,000</u>
Earnings per share	5		
-Basic		<u>0.97</u>	<u>0.88</u>
-Diluted		<u>0.97</u>	<u>N/A</u>

Notes:

1. **Significant Accounting Policies**

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year ended 31 December 2002. The accounting policies are in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board. IFRS includes International Accounting Standards and interpretations. These accounting policies also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

2. **Turnover and Segment Information (All Amounts Expressed in Renminbi Yuan)**

The principal activities of the Group are the manufacturing and sales of garments. Turnover represents income arising from the sale of garments net of value added tax.

Business segments

	<i>For the Year ended 31 December,</i>	
	2003	2002
Turnover		
Retail	379,251,367	326,869,859
OEM	168,233,379	116,767,476
Unallocated	<u>37,155,227</u>	<u>26,100,647</u>
Total	<u><u>584,639,973</u></u>	<u><u>469,737,982</u></u>

Geographical segments

	<i>For the Year ended 31 December,</i>	
	2003	2002
Turnover		
the PRC	392,607,302	347,543,561
North America	173,330,335	117,874,008
Hong Kong	9,853,854	4,320,413
Europe	<u>8,848,482</u>	<u>-</u>
Total	<u><u>584,639,973</u></u>	<u><u>469,737,982</u></u>

3. **Profit from ordinary activities before taxation**

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

	<i>For the Year ended 31 December,</i>	
	2003	2002
(i) Net financing costs		
Interest income	(543,156)	(415,312)
Interest expense on bank advances repayable		
within five years	1,771,347	3,918,507
Bank charges	1,578,459	1,101,579
Net foreign exchange loss	<u>437,275</u>	<u>125,952</u>
Net financing costs	<u><u>3,243,925</u></u>	<u><u>4,730,726</u></u>

	For the Year ended 31 December,	
	2003	2002
(ii) Other items		
Auditors' remuneration	900,000	505,400
Depreciation		
- owned fixed assets	14,118,615	10,398,042
- leased fixed assets	271,770	271,770
Amortisation		
- lease prepayment for land	254,365	209,542
- intangible assets	645,660	645,660
Operating leases charges in respect of properties		
- minimum lease payments	27,513,162	23,749,364
- contingent rents	71,165,440	59,435,468

4. **Income tax expense**

(i) Income tax expense represents:

	For the Year ended 31 December,	
	2003	2002
Current year expense	12,614,591	16,938,568
Under provision in prior years	168,116	57,424
Income tax refund	<u>(6,585,862)</u>	<u>(2,938,662)</u>
	6,196,845	14,057,330
Changes in deferred taxes	2,161,413	(2,729,741)
	8,358,258	11,327,589

The Group's applicable tax rate represented the preferential PRC enterprise income tax of 15% applicable to companies located within special economic zones in the PRC. The Group was granted tax refund of RMB6,585,862 during the year ended 31 December 2003 (2002: RMB2,938,662), pursuant to the relevant PRC tax law and regulations applicable to re-investment of profits earned.

5. **Earnings per share**

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of RMB107,508,629 (2002:RMB92,918,941) and the weighted average of 110,425,068 (2002:105,560,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of RMB107,508,629 and the weighted average number of 110,549,811 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme adopted on 14 October 2003. There was no dilutive potential ordinary shares in existence during the year ended 31 December 2002, and therefore diluted earnings per share is not presented for last year.

(c) Reconciliations

	For the Year ended 31 December,
	2003
	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	110,425,068
Deemed issue of ordinary shares for no consideration	<u>124,743</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>110,549,811</u></u>

DIVIDEND

The earnings for the Group for year ended 31 December 2003 is RMB107.5 million. An interim dividend of RMB35 million had been declared on 13 October 2003. The Directors have recommended a final dividend of RMB0.23 per share for the financial year ended 31 December 2003, totaling RMB31.236 million to be payable subject to the approval of the shareholders at the forthcoming Annual General Meeting ("AGM"). Upon approval of the final dividend, total dividends for the year will be approximately RMB66 million (2002: RMB60 million).

MANAGEMENT DISCUSSIONS AND ANALYSIS

Although last year was a period of immense turbulence, with the onset of hostilities in Iraq and the outbreak of Severe Acute Respiratory Syndrome ("SARS"), the Group ended the year with turnover and profit attributable to shareholders increasing 24% and 16% respectively. Turnover increased from RMB470 million in 2002 to RMB585 million in 2003 and profit attributable to shareholders from approximately RMB93 million in 2002 to RMB108 million in 2003. This improvement came almost entirely during the second half of 2003 once the SARS outbreak had waned, when the Group's operations resumed its historic pattern of growth. The shares of the Company were listed on the main board of the Stock Exchange of Hong Kong (the "Stock Exchange") on 31 October 2003. The initial public offering ("IPO") was well received by investors worldwide, as well as in Hong Kong, with the public offering over 90 times oversubscribed (international placing 15 times oversubscribed). It was also gratifying that Asiamoney named PORTS DESIGN LIMITED as the "Best Newly Listed Company in Hong Kong" for 2003.

Turnover from the Retail segment increased by approximately 16% from RMB327 million in 2002 to RMB379 million in 2003, despite the interruption in our new store expansion program and the drop in retail traffic in the PRC market caused by SARS. Offsetting the negative impact of SARS in the first half of 2003 was the strong retail sales growth in the second half, which is a reflection of the strength of the PORTS franchise in the PRC market. Sales in the BMW Lifestyle division grew more than 80% in 2003, albeit from a very small base. The division incurred a small loss in 2003 due to insufficient scale in retail operations. It is anticipated that with the additional new stores scheduled to open in 2004, the BMW Lifestyle division will become profitable and start contributing to the Group's earnings. Bayerische Motoren Werke AG (BMW) is pleased with the quality and performance of our team, and the relationship expanded recently to include the supply of apparel for the Yachting Collection of the BMW-Oracle Yachting Team.

The OEM division grew roughly 44% from RMB117 million in 2002 to RMB168 million in 2003 in sales. The OEM division was able to achieve this strong top line growth due to its historical track record of providing reliability, value and service to its clients in North America. Results in the OEM division were hampered by events in Iraq and the threat of terrorism in parts of the world, which disrupted normal business operations.

PORTS finished the year in a strong financial position. The Group's total bank borrowings, of RMB61 million, were repaid during the year. With net proceeds from the IPO, amounting to roughly RMB315 million residing in time deposits and cash, the Group is in a strong financial position to take advantage of future business opportunities.

A LOOK FORWARD TO 2004 AND BEYOND

Given the positive overall macroeconomic environment, the management team is cautiously optimistic about the business outlook for 2004. With consumer spending boosted by a strong economy and modest inflation in China, the business outlook appears favorable for PORTS, as shown by retail sales performance in the first three months of 2004.

Turnover

From financial year 2002 to financial year 2003, turnover increased by RMB114.9 million, or 24.46%, to RMB584.6 million. This increase was driven by an increase in unit volume sold and a modest increase in average unit selling price, reflecting, in part, the strength of the PORTS brand. Offsetting these factors was the disruption in the Group's new store expansion program due to SARS.

Cost of sales

Cost of sales increased by RMB72.6 million, or 41.45%, to RMB247.9 million in financial year 2003. The increase in cost of sales is directly related to the increase in turnover and sales volume in 2003.

Gross profit

As a result of the factors discussed above, the Group's gross profit increased 14.35% to RMB336.7 million in 2003, but gross profit margin decreased from 62.69% in 2002 to 57.59% in 2003. The decline in gross margin was particularly pronounced in the first half of the year reflecting the negative effects of the SARS outbreak. First half gross margin was 54.69% and second half gross margin improved to 59.81%, reflecting the diminished effects of SARS.

Other operating income

Other operating income decreased by RMB1.0 million, or 10.91%, to RMB7.9 million in financial year 2003 consisting principally of income from store design and decoration services provided to third parties.

Distribution expenses

Distribution expenses increased by RMB24.3 million, or 15.13%, to RMB185.1 million in financial year 2003. The increase was principally due to increases in rent and depreciation. Other major components of distribution cost, such as salaries and benefits and advertising, only increased modestly.

Administrative expenses

Administrative expenses increased by RMB2.0 million, or 12.17%, to RMB18.6 million in financial year 2003 as a result of the increase in mainly rental expenses of RMB0.8 million (rental expenses increased from RMB0.45 million in 2002 to RMB1.24 million in 2003).

Other operating expenses

Other operating expenses consist principally of a stock provision that is taken against ageing inventory. In financial year 2003, inventory increased 15.31% to RMB184.8 million. The stock provision increased by RMB4.8 million, or 29.45%, to RMB21.2 million in financial year 2003.

Profit from operations

As a result of the factors discussed above, the Group's profit from operations increased by 9.3% to RMB119.1 million in 2003 and the Group's operating margin (profit from operations expressed as a percentage of turnover) decreased from 23.20% in financial year 2002 to 20.37% in financial year 2003. The decline in profitability is largely the result of the disruption in normal business operations caused by the SARS outbreak and was particularly pronounced during the first half of 2003. First half operating margin was 15.03% and second half operating margin improved to 24.46%, reflecting the diminished effects of SARS.

Income tax expense

The Group's effective income tax rate decreased from 10.87% of profit before tax in 2002 to 7.21% of profit before tax in 2003. The decrease in the Group's effective income tax rate in 2003 is from RMB6.6 million in tax refunds during 2003 and represents the preferential PRC income tax rate applicable to companies located within special economic zones in the PRC.

Profit attributable to shareholders

As a result of the factors discussed above, the Group's profit attributable to shareholders increased by 15.70% to RMB107.5 million in financial year 2003. The Group's net profit margin decreased from 19.78% in financial year 2002 to 18.39% in financial year 2003. The decline in net profit margin was largely due to the disruption in normal business operations caused by the SARS outbreak and was particularly pronounced in the first half of the year. First half net profit margin was 14.15%. In the second half, net profit margin rebounded to 21.63%.

Human Resources

As of 31 December 2003, the Group had in total approximately 2,952 employees. The Group offers its staff competitive remuneration schemes, training and development opportunities. Total personnel expenses, comprised of wages, salaries and benefits, was RMB68 million in 2003, compared to RMB65 million in 2002. In addition, discretionary bonuses and equity options are given to eligible employees based on individual and company performance. Share options may be granted to, among others, employees of the Group to subscribe for shares of the Company pursuant to the terms and conditions of the share option scheme adopted by the Company on 14 October 2003.

Financial Position & Liquidity

The Group continues to be in a very strong financial position, with significant cash generated from normal business operations and from the proceeds of the IPO in 2003. As of 31 December 2003, the Group has roughly RMB315 million (2002: RMB45 million) in cash and cash equivalents and time deposits. It also possessed available bank loans and overdraft facilities of roughly RMB101 million (2002: RMB101 million), which have not been utilized. During 2003, the Group paid off all its interest-bearing loans and borrowings, of RMB61 million and currently has no such liabilities outstanding. As of 31 December 2003, the Group's gearing ratio was zero (2002: 17.1%), based on no debt outstanding and total assets of roughly RMB692 million.

Acquisitions & Disposals of Subsidiaries & Associated Companies

The Group did not engage in any material acquisitions or disposals of any subsidiaries or associated companies in 2003.

Currency Risk Management

As of 31 December 2003, the Group's cash balances, from normal business operations and the proceeds from the IPO, are mainly deposited in HK\$, US\$ and RMB with major international banks in Hong Kong and China. The Group does not engage in any currency hedging, but considers its risk exposure to currency fluctuations to be minimal.

Capital Commitments & Contingent Liabilities

As of 31 December 2003, the Group has capital commitments of RMB120 million (2002: RMB47 million) based on authorized but not contracted for expenses. These expenses are related to planned initiatives such as the opening of superstores, expansion and renovation of retail operations and new product development. As of 31 December 2003, the Group had no contingent liabilities (2002: nil).

Capital Structure of the Group

The Group requires working capital to support its manufacturing, retail, OEM and other sales operations. In the past, the Group has financed its working capital needs principally through net cash inflows from operating activities and from short-term interest-bearing loans. As of 31 December 2003, the Group had cash and cash equivalents of RMB315 million, denominated principally in HK\$, US\$ and RMB, representing an increase of 604% from 31 December 2002, reflecting proceeds from the IPO as well as net cash inflows from operating activities before working capital changes. Net cash inflows from operating activities before working capital changes increased 11% to RMB132 million in 2003 from RMB119 million in 2002. The Group currently has no outstanding interest-bearing debt obligations.

Charges on Assets

As of 31 December 2003, the Group had not charged any of its assets.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2003, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

AUDIT COMMITTEE

During the year, the Company's audit committee, which comprises two independent non-executive directors, had reviewed the financial statements of the Company and the auditors' report thereon and submitted its views to the Board of Directors. The audit committee had also reviewed the connected transactions and the internal control systems of the Group in accordance with provisions of Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Group has complied throughout the year of 2003 with the Code of Best Practice set out in Appendix 14 of the Listing Rules.

ANNOUNCEMENT OF DETAILED RESULTS

A copy of the detailed results and other information of the Company required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website within the prescribed period. This announcement can also be accessed on the Company's website: <http://www.ports-intl.com>.

CLOSURE OF REGISTER OF MEMBERS

Subject to passing of the necessary resolutions at the AGM of the Company which will be held at 27 Jiyuan Road, Jimei, Xiamen, 361021 China on Monday, 31 May 2004, at 9:30 a.m. the final dividend will be payable on 30 June 2004 to shareholders whose names appear on the register of members of the Company on 31 May 2004 and the register of members will be closed from 26 May 2004 to 31 May 2004, both days inclusive, during which period no transfer of shares can be effected.

In order to qualify for the above dividend, all transfer of shares accompanied by the requisite share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:00 p.m. on 25 May 2004.

Hong Kong, 30 March 2004

By Order of the Board
Irene F. M. Wong
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of PORTS DESIGN LIMITED (the "Company") will be held at 27 Jiyuan Road, Jimei, Xiamen, 361021 China on Monday, 31 May 2004 at 9:30 a.m. for the following purposes:

- 1 To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 31 December 2003.
- 2 To declare a final dividend.
- 3 To re-appoint auditors and authorise the board of directors to fix their remuneration.
- 4 To re-elect directors of the Company and to authorise the board of directors to fix their remuneration.
- 5 As special businesses, to consider, and if thought fit, to pass with or without modification the following resolutions:

ORDINARY RESOLUTIONS

A. "THAT:

to consider and approve the appointment of an additional independent non-executive director of the Company and to authorise the board of directors to enter into a service contract with him/her upon such terms and conditions as the board of directors shall think fit."

B. "THAT:

- (a) Subject to paragraph (c) below, pursuant to the Listing Rules, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (including without limitation, by way of right) and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) The approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which 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 of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the memorandum and bye-laws of the Company from times to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date 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 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 or any applicable law of Bermuda 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 the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company on the register of members on a fixed record date (excluding for such purpose any shareholder that is resident in a place outside Hong Kong provided the directors of the Company consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body of stock exchange in that place) and where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities;

C. "THAT:

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to repurchase its own securities, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of securities of the Company repurchased by the Company pursuant to the approval in paragraph (a) 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 this resolution and the said approval be limited accordingly; and
- (c) 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 bye-laws of the Company or any applicable law of Bermuda 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."

D. "THAT:

Conditional upon Resolution nos. 5B and 5C above being passed, the general unconditional mandate referred to in resolution no. 5B above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the directors of the Company pursuant to such general unconditional mandate of an amount representing the aggregate nominal amount of the Shares repurchased by the Company since the granting of the said general unconditional mandate pursuant to the mandate to repurchase securities referred to in resolution no. 5C above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution."

SPECIAL RESOLUTIONS

E. "THAT:

the Bye-Laws of the Company be amended by:

- (a) Deleting the existing definition of "associates" in Bye-law 1(A) and substituting thereof the following:

"associates" shall have the meaning as defined in the Listing Rules;

- (b) Adding the following new definition of "Listing Rules" in Bye-law 1(A):

"Listing Rules" shall mean the rules governing the listing of securities made by The Stock Exchange of Hong Kong Limited (as amended from time to time);

- (c) By adding after Bye-law 76 the following new Bye-law 76A:

76A Where any shareholder 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 shareholder in contravention of such requirement or restriction shall not be counted.

- (d) By adding the following words at the end of Bye-law 103:

"The period for lodgment of the notice required under this bye-law will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting."

(e) By deleting the existing Bye-law 98(H) and substituting thereof the following Bye-law 98(H):

(H) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his associate(s) has/have a materially interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:-

- (i) the giving of any security or indemnity either:-
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) 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 and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any 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;
- (iii) any 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 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 associates are not in aggregate beneficially interested in 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;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:-
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement 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 by virtue only of his/their interest in shares or debentures or other securities of the Company.

By Order of the Board
Irene F. M. Wong
Company Secretary

Hong Kong, 30 March 2004

Notes:

- (1) Shareholders entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) The Register of Members of the Company will be closed from 26 May 2004 to 31 May 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for receiving the final dividend payable on 30 June 2004 and attending the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 25 May 2004.

An explanatory statement containing further details in respect of Ordinary Resolution No. 5C will be dispatched to the shareholders together with the 2003 annual report of the Company.