

(Incorporated in Bermuda with limited liability)

Website: http://www.irasia.com/listco/hk/lkm

## FINAL RESULTS FOR THE PERIOD OF NINE MONTHS FROM 1ST APRIL, 2002 TO 31ST DECEMBER, 2002

### RESULTS

Turnover

Staff costs

Profit from operations

Profit before taxation

Profit after taxatior

Net profit for the period/year

or prior periods

Foreign Currencies

**Cash Flow Statements** 

cash flow statem

**Employee Benefits** 

financial statements

By business segment

segment information

2.

TURNOVER AND SEGMENT INFORMATION

Segmental information about these businesses is presented below

Period of nine months from 1st April, 2002 to 31st December, 2002

the period/year, and is analysed as follows:

the current or prior accounting periods

Minority interests

Earnings per share

Diluted

Notes:

nance cost

Other operating income Changes in inventories of finished goods and work in progress Raw materials and consumables used

Depreciation and amortisation of property, plant and

equipment Amortisation of goodwill Other operating expenses Deficit on revaluation of investment properties

Loss on deemed disposal of a subsidiary

The directors (the "Directors") of Lung Kee (Bermuda) Holdings Limited (the "Company") have pleasure in

submitting the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the period of nine months from 1st April, 2002 to 31st December, 2002 together with comparative figures for the year from 1st April, 2001 to 31st March, 2002 as follows:

ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current period, the Group has adopted for the first time a number of new and revised Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants. The adoption of these new and revised standards has resulted in a change in the format of the presentation of the cash flow ment and the statement of changes in equity, but has had no significant impact on the results for the current

The revisions to SSAP 11 (Revised) "Foreign Currency Translation" have eliminated the choice of translating the income statements of overseas subsidiaries at the closing rate for the period. They are now required to be translated at an average rate. This change in accounting policy has not had any material effect on the results for

In the current period, the Group has adopted SSAP 15 (Revised) "Cash Flow Statements". Under SSAP 15 (Revised), cash flows are classified under three headings — operating, investing and financing, rather than the previous five headings. Interest received and dividends paid, which were previously presented under a separate heading, is classified as investing cash flow, unless they can be separately identified with investing or financing

activities. In addition, the amounts presented for cash and cash equivalents have been amended to exclude short-term loans that are financing in nature. Cash flows of overseas subsidiaries have been re-translated at the rates prevailing at the dates of the cash flows rather than the rate of exchange ruling on the balance sheet date. The re-definition of cash and cash equivalents has resulted in a restatement of the comparative amounts shown in the

In the current period, the Group has adopted SSAP 34 "Employee Benefits", which introduces measurement rules for employee benefits, including retirement benefit plans. Because the Group participates only in defined contribution retirement benefit schemes, the adoption of SSAP 34 has not had any material impact on the

Turnover represents the amounts received and receivable for goods sold, less returns, to outside customers during

For management purposes, the Group is currently organised into two operating divisions - manufacture of

mould have and trading of metal and parts. These divisions are the basis on which the Group reports its primary

NOTES

2

By geographical segments

1st April, 2001

March, 2002

(12 months)

HK\$'000

928,886

2,979 (419,837) (155,219)

(83,574)(2,027) (170,574) (8,010)

(8,010)

125,965 (21,576)

104.305

(10,351)

93.954

(21,969)

71,985

14.90 cents

14.85 cents

(84)

3

33.341

to 31st

1st April, 2002

December, 2002

to 31st

(9 months

HK\$'00

801,393

301 (357,276) (133,841)

(61,786) (11,760) (120,081) (1,150)

(1,150)

137,510 (17,579)

119.931

(16,747

103,184

(9,824

93,360

19.22 cents

19.18 cents

21,710

The Group operates in the following geographical market segments - People's Republic of China including

The following table shows an analysis of the Group's sales by geographical market, irrespective of the origin of

	Turnover		Contribution to profit from operations	
	1st April, 2002 1st April, 2001		1st April, 2002	
	to 31st	to 31st	to 31st	to 31st
	December, 2002	March, 2002	December, 2002	March, 2002
	(9 months)	(12 months)	(9 months)	(12 months)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
People's Republic of China including				
Hong Kong	625,901	727,704	113,066	99,800
Other countries	175,492	201,182	24,444	26,165
	801,393	928,886	137,510	125,965

#### PROFIT FROM OPERATIONS

	1st April, 2002 to 31st December, 2002 (9 months) <i>HK\$'000</i>	1st April, 2001 to 31st March, 2002 (12 months) <i>HK\$</i> '000
Profit from operations has been arrived at after charging: Amortisation of goodwill Auditors' remuneration Depreciation and amortisation of property, plant and equipment Exchange loss Operating lease rental expenses Retirement benefits scheme contributions, net of forfeited contributions	11,760 1,932 61,786 9,737 3,340	2,027 2,407 83,574 1,977 4,061
of approximately HK\$671,000 (year ended 31st March, 2002: approximately HK\$321,000)	3,963	5,546

### FINANCE COSTS

	1st April, 2002 to 31st December, 2002 (9 months) <i>HK</i> \$'000	1st April, 2001 to 31s March, 2002 (12 months <i>HK\$</i> '000
Arrangement fee for raising of bank loans Interest on bank borrowings wholly repayable within five years Interest on obligations under finance leases	2,071 15,482 26	1,983 19,469 124
increasion congations under timate reases	17,579	21,576

## TAXATION

5.

	1st April, 2002 to 31st December, 2002 (9 months) <i>HK\$`000</i>	1st April, 2001 to 31st March, 2002 (12 months) <i>HK\$</i> `000	Th mi Th ac As ac
The charge (credit) comprises:			G
Hong Kong Profits Tax — current period/year — overprovision in prior year	1,491 (23)	8,615 (3,544)	To ap Ei
Taxation in jurisdictions outside Hong Kong — current period/year — overprovision in prior year	1,468 17,287 (314)	5,071 3,452 (397)	As 4,: Th as in
Deferred taxation	(1,694)	3,055	Co Th fac
	16,747	10,351	PF Th

Hong Kong Profits Tax is calculated at 16% of the estimated assessable profit for both period/year.

Taxation in jurisdictions outside Hong Kong is calculated based on the applicable rates in those jurisdictions.

DIVIDENDS

	1st April, 2002 to 31st December, 2002 (9 months) <i>HK\$'000</i>	1st April, 2001 to 31st March, 2002 (12 months) <i>HK\$</i> *000
Interim dividend of HK5 cents per share (year ended 31st March, 2002: HK3 cents per share) was paid to the Company's shareholders	24,342	14,519
Proposed final dividend of HK5 cents per share (year ended 31st March, 2002: HK5 cents per share) payable to the Company's shareholders Underprovision of final dividend	24,342	24,197 145
	48,684	38,861

## MANAGEMENT DISCUSSION AND ANALYSIS

During the period of nine months from 1st April, 2002 to 31st December, 2002, the Group continued to focus on the and sale of mould bases and trading of special mould steel and related pro

The Group's turnover in the period of nine months from 1st April, 2002 to 31st December, 2002 was approximately HK\$801 million (year ended 31st March, 2002: approximately HK\$929 million). Profit attributable to shareholders in the period of nine months from 1st April, 2002 to 31st December, 2002 was approximately HK\$93 million (year ended 31st March, 2002: approximately HK\$72 million). Earnings per share in the period of nine months from 1st April, 2002 to 31st December, 2002 was HK19.22 cents (year ended 31st March, 2002: HK\$14.90 cents).

## Mould Base Manufacturing and Marketing

The Group's business in China has achieved a smooth development, further enhancing the productivity of the Group. Productivity of the Heyuan plant in China has increased steadily, thus lowering our production cost and improving our profit margin. The new production building will be dedicated to produce large sized mould base targeting for automobile industry and is expected to start operating in the coming June.

Our Dongguan plant in China continues to produce high-value-added products and in the developing of mould parts and components business. At the same time, the Dongguan plant has performed its important role as a logistic and support center for all plants located in China, successfully coordinating the operations among various plants.

Our Shanghai plant has devoted itself to serve customers in the Eastern Region of China, with constant growth in turnover. The second phase of the plant now reached the stage of machinery installation. It is expected that partial production can be carried out in the middle of the year. The new plant will concentrate in the manufacturing of medium sized tailor-made mould base, catering for the uprising demands in the Eastern Region of China.

The Group has put continuous effort in restructuring its overseas business, in accordance with the direction of the Board. The domestic consumption in Singapore remains sluggish, as most of its production base has been migrated into Mainland China. In view of this, the Group has decided to gradually transfer its existing production facilities in Singapore to our plant located in Malaysia. The Singapore office is now confined to regional sales promotion and marketing activities. Relatively speaking, the economic performance of Malaysia is more stable, and the Group's business in Malaysia still maintained a substantial market share.

As for the Japanese market, since most of our clients have moved their production base to China, slowing down on domestic demand for standard mould bases has been reported. To survive in such business environment, the Group's business in Japan has undergone process restructuring, in order to lower its operating cost and to increase productivity.

Our plant in Taiwan experienced structural transformation in the past year, as a result, a minor loss has been recorded. However, through the implementation of new machinery and manufacturing system, the Taiwan plant is expected to capture the medium sized mould base market in full speed, soon bringing stable profit to the Group. On the other hand, the LKM brand is becoming more known to the Taiwan market, which made LKM, the pre-approved brand, amongst Taiwanese manufacturing plants actively expanded in the Jiangsu and Kunshan area in China, indirectly benefiting the Group's business as a whole.

Facing the shrinkage of manufacturing business in the U.S. and European countries, the Group's export business to these countries remains stagnant. Nevertheless, those foreign owned factories in China, as financed by the U.S. and European capitals, have placed a lot of orders to the Group's plants in China for high quality mould base for production, thus compensating the loss of direct orders from those markets.

Owing to the upward trend of oil price, worldwide materials prices follow suit. Mould steel price had been driven upward continuously in the past year. Fortunately, the impact of its rising price on the Group is kept to be minimal as the Group always maintains a safety buffer stock for steel materials. Inevitably, the rising cost of the steel materials has caused a slight price increase for mould base products.

## Trading of Mould Steel

Regarding the mould steel business, the Group continues to market its comprehensive range of quality mould steels. Besides distributing steel products from Sweden, Germany and Japan, the Group has introduced quality special steel from U.S. and France to the market to enhance its competitive edge. In addition, the Group has provided a wide scope of value-added services such as six-sides machining, vacuum heat treatment and mould repairing services, catering the increasing demand for "one-stop services" as required by our customers.

## Liquidity and Capital Resources

As at 31st December, 2002, the Group had a net cash deficit of approximately HK\$82 million. The Group had cash balance of approximately HK564 million. Most of the cash balance was placed in HKD and USD short term deposits with major banks in Hong Kong.

The Group adopted conservative measures to hedge any exchange fluctuation and incurred approximately HK\$10 million losses on foreign exchange during the period of nine months from 1st April, 2002 to 31st December, 2002. The foreign exchange losses were mainly due to revaluation of SGD loan at period end, which was raised for acquisition of Lung Kee Metal Holdings Limited ("LKMH").

As at 31st December, 2002, the Group had capital commitments of approximately HK\$60 million in respect of the acquisition of property, plant and equipment, which are financed by internal resources.

## **Jearing Ratio**

Fotal debts were approximately HK\$646 million, equal to approximately 86% of shareholders' funds of approximately HK\$750 million.

### **Employees and Remuneration Policies**

as at 31st December, 2002, the Group employed a total of approximately 4,900 employees, including approximately 4,500 employees in its PRC production sites and approximately 400 employees in Hong Kong and other countries. The Group adopts a competitive remuneration package for its employees. Promotion and salary increments are ussessed based on a performance related basis. Share options may also be granted to staff with reference to the ndividual's performance.

#### Contingent Liabilities

The Company gave guarantees of approximately HK\$985 million to financial institutions in respect of banking acilities granted to subsidiaries.

#### PROSPECTS

The Group holds a positive view towards the future development of the China market. Following the influx of international investment flow from the U.S, Europe, Japan, Singapore and Taiwan etc to China in establishing factories and plants, China has successfully fortified its position as "The Global Manufacturing Center". As the local automobile industry continues to boom, demand of high quality mould products has been growing fast in China; this helps to foster rapid development of mould base business in China whereas its selling price also moving moderately upward.

The Group will seize such business opportunities in further sustaining its leading position in the mould base and special mould steel business in China. Besides seeking continuous improvement in both management and production technique, the Group will take a step forward by establishing a new supporting plant in Zhejiang Provinces, China - being nicknamed as "The Hometown of Mould Makers" and surrounded by privately owned enterprises- to cope with the growing demand in the Eastern Region of China. To reinforce its distribution network, the Group will set up a few more direct sales office in China in order to offer more efficient and intimate services to customers, thus facilitating closer interaction and communication with them.

Looking ahead, mould industry in China will experience a prosperous growth. The Group will take concerted effort and positive move in sustaining its leading position in the industry. Further, the Group will position LKM as a quality and well-received brand, and consolidate its vital status in the China and the international markets.

# COMPULSORY ACQUISITION AND DELISTING OF THE SHARES OF LUNG KEE METAL HOLDINGS

wholly-owned subsidiary of the Company, made a voluntary conditional offer to acquire all the shares of LKMH which shares were listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Subsequent to the compulsory acquisition, LKMH became a wholly-owned subsidiary of Yeekon. Thereafter, Yeekon made an application to the SGX-ST and that the shares of LKMH has been delisted from the SGX-ST with effect from 23rd August, 2002. During the period of nine months from 1st April, 2002 to 31st December, 2002, Yeekon Limited ("Yeeko

## EARNINGS PER SHARE

of mould base metal and parts Elimination HK\$'000 7. HK\$'000

3 259,955	(118,085)	801,393
2 17,938	-	116,950 (1,150) 21,710 137,510
Ľ	12 17,938	12 17,938 — -

Manufacture

HK\$'000

Trading of

HK\$'000

## Year from 1st April, 2001 to 31st March, 2002

	Manufacture of mould base <i>HK\$'000</i>	Trading of metal and parts <i>HK\$'000</i>	Elimination HK\$'000	Total <i>HK\$'000</i>	
TURNOVER					
External sales	781,536	147,350	_	928,886	
Inter-segment sales	19,764	68,953	(88,717)	_	
•					
	801,300	216,303	(88,717)	928,886	
			(00,11)	,_0,000	
RESULTS Segment results Deficit on revaluation of investment properties Unallocated corporate income	78,805	21,829	_	100,634 (8,010) 33,341	8
PROFIT FROM OPERATIONS			=	125,965	

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

	1st April, 2002 to 31st December, 2002 (9 months) <i>HK\$'000</i>	1st April, 2001 to 31st March, 2002 (12 months) <i>HK\$</i> '000
Earnings		
Earnings for the purpose of basic earnings per share Effect of dilutive potential ordinary shares: Adjustment to the share of results of the group headed by Lung Kee	93,360	71,985
Metal Holdings Limited based on dilution of their earnings per share	(192)	(75)
Earnings for the purpose of diluted earnings per share	93,168	71,910
Number of shares	'000	,000
Weighted average number of ordinary shares for the purpose of basic earnings per share Effect of dilutive potential ordinary shares on exercise of options of	485,648	483,086
the Company	94	1,130
Weighted average number of ordinary shares for the purpose of diluted earnings per share	485,742	484,216

## CHANGE OF FINANCIAL YEAR END DATE

The income statement for the current period cover the period of nine months from 1st April, 2002 to 31st December, 2002. The corresponding amounts shown for the income statement and related notes cover a period of twelve months from 1st April, 2001 to 31st March, 2002 and therefore may not be comparable with amounts shown for the current period. The current reporting period is less than twelve months because the Directors determined to bring the balance sheet date into line with that of the subsidiaries established in the People's Republic of China. No further changes to reporting dates are anticipated.

## NOTICE OF ANNUAL GENERAL MEETING

(D) for the purpose 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; or
- 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 (as amended) or any other applicable law of Bermuda to be held; or (ii)
- the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and (iii)

"Rights Issue" means an offer of Shares or issue of option, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors the holders of Shares, or any class of Shares, whose name appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such Shares (or, where appropriate, such other securities) as at that date (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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary

#### "THAT:

- subject to paragraph (B) of this Resolution, the exercise by the directors of the Company during the (A) Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company ("Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other exchange on which the Shares may be listed and recognised 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; Govern
- the aggregate nominal amount of Shares which the Company is authorised to repurchase 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 at the date of passing of this Resolution, and the said approval shall be limited accordingly; and (B)
- (C) for the purpose of this Resolution,

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- the conclusion of the next annual general meeting of the Company; or (i)
- 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 (as amended) or any other applicable law of Bermuda to be held; or (ii)

2002, the Compan ing the period of nine months from 1st April, 2002 to 31st December, for listing of and permission to deal in the shares of the Company on the Main Board of the SGX-ST. The shares of the Company has commenced trading on the Main Board of the SGX-ST on 23rd July, 2002.

#### POST BALANCE SHEET EVENT

SECONDARY LISTING

In February 2003, a subsidiary of the Company issued floating rate notes ("FRNs") in the amount of HK\$150 million which are due in 2006. The FRNs carry interest at Hong Kong Inter-bank Borrowing Rate plus 1% and are guaranteed by the Company.

## FINAL DIVIDEND

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting the payment of a final dividend of HK5 cents per share for the period of nine months from 1st April, 2002 to 31st December, 2002 to shareholders whose names appear on the Register of Members on 5th May, 2003. Subject to the approval by shareholders at the forthcoming Annual General Meeting, the proposed final dividend will be despatched to shareholders on or about 15th May, 2003.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 30th April, 2003 to 5th May, 2003, both days inclusive during which period no share transfers will be effected.

In order to qualify for the proposed final dividend, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong Branch Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 29th April, 2003.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of shares or other securities of the Company by the Company or any of its subsidiaries during the period of nine months from 1st April, 2002 to 31st December, 2002.

# PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) inclusive of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange will be published on the website of the Stock Exchange in due course.

> By Order of the Board Siu Tit Lung Chairma

Hong Kong, 28th March, 2003

- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."
- 10. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution

"THAT subject to the passing of the Ordinary Resolutions Nos. 8 and 9 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company ("Shares") pursuant to the Ordinary Resolution No. 8 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to the Ordinary Resolution No. 9 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the Ordinary Resolution No. 9."

> By Order of the Board Wai Lung Shing Director and Company Secretary

## Hong Kong, 28th March, 2003

#### Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Compar
- In order to be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the head office and principal place of business of the Company at 2nd Floor, Cheung Kong Electronic Building, 4 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time fixed for the meeting or any adjo urnment thereof
- Where there are joint holders of any share of the Company, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- The Register of Members of the Company will be closed from 30th April, 2003 to 5th May, 2003, both days inclusive during which period no share transfer will be effected.
- In order to qualify for the proposed dividends, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong Branch Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Floor, Hopewell 29th April, 2003.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of the Company will be held at Peacock Room, 1st Floor, Mandarin Oriental Hotel, 5 Connaught Road Central, Hong Kong on Monday, 5th Ma 2003 at 3:30 p.m. for the following purposes:

- To receive and consider the audited financial statements of the Company and the reports of the directors and auditors of the Company for the period of nine months from 1st April, 2002 to 31st December, 2002.
- To approve and declare a final dividend of the Company for the period of nine months from 1st April, 2002 to 31st December, 2002
- To determine the maximum number of directors of the Company for the time being be 15. 3.
- 4 To re-elect and appoint directors of the Company.
- 5. To authorise the board of directors of the Company to fix the remuneration of directors of the Company.
- To authorise the directors of the Company to appoint any person as a director of the Company either to fill a casual vacancy on the board of directors of the Company or as an addition to the existing board of directors 6. of the Company so long as the number of directors of the Company so appointed shall not exceed 15 or such other maximum number as may be determined from time to time by members of the Company in general meeting at their discretion
- 7. To re-appoint auditors of the Company and authorise the board of directors of the Company to fix their
- To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary 8.

"THAT:

- (A) subject to paragraph (C) of this Resolution, 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 of HK\$0.10 each in the capital of the Company ("Shares") and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- the approval in paragraph (A) of this Resolution shall authorise the directors of the Company during (B) the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;
- the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to (C) be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (i) a Right Issue (as hereinafter defined); or (ii) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantee as specified in such scheme or similar arrangement of Shares or rights to acquire the Shares; or (iii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for allots, of (III) Shares in lieu of the whole or part of the dividend on Shares in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly and accordingly; and