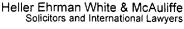


August 18, 2003



海陸國際律師事務所 Simon Luk Managing Partner, Hong Kong Chairman, China Practice sluk@hewm.com Direct 2292 2222 Direct Fax 2292 2200 Main 852.2292.2000 Fax 852.2292.2200



The Office of International Corporate Finance

Securities and Exchange Commission

Mail Stop 3 – 2 450 Fifth Street, N.W. Washington, D.C. 20549 U.S.A.

Ladies and Gentlemen:



SEC FILE NO. 82-4217

Re: Paul Y. - ITC Construction Holdings Limited Information Furnished Pursuant to Rule 12g3-2(b) under the Securities Exchange Act

On behalf of Paul Y. - ITC Construction Holdings Limited (the "Company"), S.E.C. File No. 82-4217, the enclosed copies of documents are submitted to you in order to maintain the Company's exemption from Section 12(g) of the Securities Exchange Act of 1934 (the "Act") pursuant to Rule 12g3-2(b) under the Act:

925

The Company's joint announcement regarding unconditional cash offer by Kingsway SW Securities Limited on behalf of Calisan Developments Limited and Well Orient Limited, each being indirect wholly-owned subsidiary of Paul Y. - ITC Construction Holdings Limited and Hanny Holdings Limited respectively, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than the China Strategic Shares and China Strategic Warrants presently owned by the offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options; delay in despatch of the offeree

Partners: Simon Luk Carson Wen Michael P. Phillips Katherine C.M. U Susan C. Yu China-Appointed Attesting Officer 35th Floor One Exchange Square 8 Connaught Place Central, Hong Kong www.hewm.com

 Hong Kong
 Singapore
 San Francisco
 Silicon Valley
 Los Angeles
 San Diego
 Seattle
 Portland
 Anchorage

 New York
 Washington D.C.
 Madison, WI
 Affiliated Offices:
 Milan
 Paris
 Rome

document, extension of the offer period and mandatory offer becoming unconditional, published (in English language) in The Standard and published (in Chinese language) in Sing Pao Daily News, both on August 12, 2003;

- (2) The Company's circular regarding refreshing of the 10% limit on grant of options under the share option scheme, general mandates to issue shares and to repurchase securities, and expiry of subscription rights attaching to the 2003 warrants, dated July 29, 2003;
- (3) The Company's circular regarding possible discloseable transaction in connection with a mandatory conditional cash offer, dated July 29, 2003;
- (4) The company's circular regarding Mandatory conditional cash offer by Kingsway SW Securities Limited on behalf of Calisan Developments Limited and Well Orient Limited, each being indirect wholly-owned subsidiary of Paul Y - ITC Construction Holdings Limited and Hanny Holdings Limited respectively, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than the China Strategic Shares and China Strategic Warrants presently owned by the offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options, dated July 29, 2003;
- (5) The Company's announcement regarding expiry of subscription rights attaching to the 2003 warrants, dated July 28, 2003, published (in English language) in The Standard and published (in Chinese language) in Sing Pao Daily News, both on July 29, 2003;
- The Company's joint announcement regarding despatch of offer document, (6) Mandatory conditional cash offer by Kingsway SW Securities Limited on behalf of Calisan Developments Limited and Well Orient Limited, each being indirect wholly-owned subsidiary of Paul Y. - ITC Construction Holdings Limited and Hanny Holdings Limited respectively, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than the China Strategic Shares and China Strategic Warrants presently owned by the offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options, dated July 28, 2003, published (in English language) in The Standard and published (in Chinese language) in Sing Pao Daily News, both on July 29, 2003;

Susan C. Yu Partners: Simon Luk Carson Wen Michael P. Phillips Katherine C.M. U * China-Appointed Attesting Officer 35th Floor One Exchange Square 8 Connaught Place Central, Hong Kong www.hewm.com

San Diego

- (7) The Company's announcement regarding results for the year ended March 31st, 2003, dated July 21, 2003, published (in English language) in The Standard and published (in Chinese language) in Sing Pao Daily News, both on July 22, 2003;
- (8) The Company's annual report 2003, dated July 21, 2003;
- (9) The Company's joint announcement regarding possible discloseable transaction for ITC Corporation Limited, Hanny Holdings Limited and Paul Y ITC Construction Holdings Limited; Mandatory conditional cash offer and increase in offer price by Kingsway SW Securities Limited on behalf of the offerors, each being indirect wholly-owned subsidiary of Hanny Holdings Limited and Paul Y. ITC Construction Holdings Limited respectively, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than the China Strategic Shares and China Strategic Warrants presently owned by the offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options, dated July 21, 2003, published (in English language) in The Standard and published (in Chinese language) in Sing Pao Daily News, both on July 22, 2003; and
- (10) The Company's joint announcement regarding possible discloseable transaction for ITC Corporation Limited, Hanny Holdings Limited and Paul Y. ITC Construction Holdings Limited; Voluntary conditional cash offer by Kingsway SW Securities Limited on behalf of the Offerors, each being indirect wholly-owned subsidiary of Hanny Holdings Limited and Paul Y. ITC Construction Holdings Limited respectively, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than the China Strategic Shares and China Strategic Warrants presently owned by the Offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options, dated July 8, 2003, published (in English language) in The Standard and published (in Chinese language) in Sing Pao Daily News, both on July 9, 2003.

The parts of the enclosed documents that are in Chinese substantially restate the information appearing elsewhere in English.

Partners: Simon Luk Carson Wen Michael P. Phillips Katherine C.M. U Susan C. Yu China-Appointed Attesting Officer 35th Floor One Exchange Square 8 Connaught Place Central, Hong Kong www.hewm.com

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We would appreciate your acknowledging receipt of the foregoing by stamping and returning the enclosed copy of this letter. A self-addressed, stamped envelope is enclosed for your convenience.

Very truly yours,

Enc.

c.c. Paul Y - ITC

22105\0001\35SEC.doc





HANNY HOLDINGS LIMITED

(Incorporated in Bernuda with limited liability)

PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)



CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with United liability)

Unconditional cash offer by



Kingsway SW Sccurities Limited on behalf of Calisan Developments Limited and Well Orient Limited, each being indirect wholly-owned subsidiary of Paul Y. - ITC Construction Holdings Limited and Hanny Holdings Limited respectively, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than the China Strategic Shures and China Strategic Warrants presently owned by the Offerors
and parties acting in concert with them,
and to cancel all outstanding China Strategic Options

Delay in despatch of the Offeree Document, extension of the Offer Period and mandatory offer becoming unconditional

Financial Adviser to Hanny Roldings Limited and Paul Y. - ITC Construction Holdings Limited



Kingsway Capital Limited

Independent financial adviser to the Independent Board Committee



First Shanghai Capital Limited

Extension of time for desputch of the Offerer Document

The Offices Documents, which countries, inter alla letter from the China Strategic Hourd, letters from the Independent Board Committee and Piers Shanghai Camital Independent shancial advises to the Independent Board Committee, in respect of the Office, was originally expected to be despetited on or before 12 August 2003. As China Strategic needs abore there to finalize the financial figures to be disclosed in the Offices Document, the Offices Document is now expected to be despatched on at before 26 August 2003.

The Office have been unconditional

The Offers have become unconditional on it August 2003 and will remain open for acceptance for out less than id days after the despatch of the Offerse Document which is expected to be despatched on or before 26 August 2003, Purther announcement in relation to the Offer Period will be made in due course.

Reforence is made to the joint concurrence issued by ITC Corporation, Paul Y. - ITC. Hanny and China Strategic on 8 July 2003 and 21 July 2003, and the offer document "Offer Document" issued by Paul Y. - ITC and Honry on 29 July 2003. Terms defined in the Offer Document shall have the same meanings when used in this announcement, unless otherwise defined.

Assented of time for the despuich of the Officese Document

Pollowing the despatch of the Offer Ducument to the China Strategic Shareholders, China Strategic Warnantholders and China Strategic Optionholder on 29 July 2009, pursuant Rule & 4 of the Takeovert Code, the Offerce Document regarding the Offers it required to be despatched by China Strategic to the China Strategic Shareholders, China Strategic Warnantholders and China Strategic Optionholder within 14 days of the date of issue of the Offer Document.

As China Strategic occuls made time to finished the financial figures to be disclosed in the Officese Document, will therefore more be available for despace to the China Strategic Strategic Strategic Strategic Optionholder on or before 12 August 2003.

Accordingly, with the consent of Culinan Developments Limited and Well Orient Limited, China Strategic has applied to the Executive for as automates of films for despatch of the Officers December to on or before 26 August 2003.

The Offeren Document, which conteins, inser alia, letter from the China Stichugie Board, inters from the Indocument Board Committee and first Shanghai Capital Limited, the independent Inancial advises to the Independent Board Committee in respect of the Offers, in now expected in he despected on or before 75 August 2003.

The Offers have become unconditional

The tespective board of directors of Hauny and Paul Y. - ITC are pleased to announce that as at the close of business on 11 August 2003, valid acceptances of the Share Offer in capect of 17.3.10 China Strategic, Shores, representing seproximately 0.001% of the voling rights in China Strategic, have been accorded and a usin of 211.345.000 China Strategic Shores, representing approximately 23.48% of the voling rights in China Strategic, have been accorded through market purchases jointly by the Offentre (49.655,000 China Strategic Shores were acquired baffer the posting of the Offer Document on 29 July 2003 china Strategic Shares were acquired through moment on 29 July 2003 china Strategic Shares were acquired of the Offer Document on 79 July 2003).

in addition to 242,010,000 Ching Strategic Shares, representing approximately 20.18% of the Voting rights in China Strategic, already hald by the Offbrow and their concern pention before the commencement of the Offars, the Offaros and their concern partice, as at the date of this amountaments, their 455,437,240 China Strategic Shares, representing approximately 34.67% of the roting rights in China Strategic.

The shareholdings in China Strategic of the Offerors and their concent parties as at the date of this abnouncement are as follows:

,	Number of China Strategic Shares	Paveeninge uf voiting rights in China Stracegie (Noie)
The exercholdings in China Strategie		
of the Offerers and their sourcest		
particu before the commencement of the Offers	242.010.000	29.18
Chira Straingte Shares acquired by	242.515,550	
the Offerers at a price of NK\$0.10		
per China Strategic Share on 9	_	
july 2003	19.063,000	5.98



Chian Strategic Sharer required by the Offeners at a prime of HKSD. 139 per Chian Strategic Share on 14 August 2005 Valid acceptancers in respect of Chian Strategic Shares received as at 11 August 2003 161,680,000 19.50 77,510 453,432,510 54.67

ACCORDING TO 047,988.812 Clear Enterior Schools is lesson to the data of the amengeneess. Accordingly, the opabilities to which the Offers are subject has been taiteful and the Offers and the occurs persons and other hands became anconditional as the Offers and their concert persons would not the 50% of the witing rights in Calina Strategie. The consideration payable for the Calina Strategie Shares, Calina Strategie Marmots and China Strategie Options turdered tanting the Officer will be paid within 10 days of the baser of the 50x of the Calina Strategie as the color of the China Strategie (as the date may be), and the date when the Officer become of the calinated successful that the color of the calinated successful that the calinated successful that the calinated successful the calinated successful that the calinated successful that the calinated successful that the calinated successful that the calinated successful the calinated successful that the calinated successful the calinated successful that the calinated successful the calinated successful that the calinated successful the calinated successful that the calinated succe

The Offerers will extend the Offer Period, to that the Offers will remain open for accompance for not less than the days after the despatch of the Offerso Document which is expected to be despatched one or refere 26 August 2003. Pursur approundement in relation to the Offer Period will be made in due course.

Toutor the Office, China Science; Sharper Sharpenfolders, siday than the Officers and their concert parties, will be affered HK30.139 in cash for much China Strategie Share both by them and the China Strategie Whytensholders, adher than the Officers and their secoret parties, will be offered HK30.001 in cash for much China Strategie Warrant head by them. In addition, the China Strategie Optionsholder will be offered HK50.001 in cash for each China Strategie Option helds will be offered HK50.001 in cash for each China Strategie Option helds by her for cancellation.

Compulsory acquisition

The Offerors will not exercise the power of computerry acquisition. It is the intended of the Offerors to maintain the listing of China Strategie on the Slock Exchange after the close of the Offers.

By arder of the board HANNY ROLDINGS LIMITED Lut Sin Tsuen, Richard Deputy Managiny Director

PAULY, ITC CONSTRUCTION NOLDINGS LIMITED Chau Mai Way, Release Greenway Director

CHINA STRATEGIC BOLDINGS LIMITED
Do Chan Kwok Krung, Charles
Chalman

Hang Kong, 11 August 2003

The directors of House pointly and despecially access full exponentiality for the vices any of one of facilities to state of the second of the

The discrets of Paul 7. IT jointly and severally afterprised representability for the accommodation for the accommodation of the discretization of the accommodation of the accom

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PAULY

HANNY HOLDINGS LIMITED (錦興集團有限公司)

(冲甘若这这种反立之有东今月)

PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保華德祥建築集團有限公司)

(并可及这样外及主之可能公司



CHINA STRATEGIC HOLDINGS LIMITED 中策集團有限公司

(产企及改革主义工程公司)

集 逐 **国** 實

渡 貫 証 券 有 限 公 司

代表 Calisan Developments Limited 及 反 倫 有 限 公 司 (分別 為 保 華 德 祥 建 築 集 團 有 限 公 司 及 錦 興 集 團 有 限 公 司 之 間 接 全 資 附 屬 公 司)

(收購人及與後等一致行動人士與時額有之 中策設份及中策認股權證除外), 及註銷所有尚未行使中策購股權

為運

濫富融资有限公司

獨立逐事委員會之獨立財務顧問

2 1 1 1 1 1 1 1 1 1 1 1

第一上海融資有限公司

至重要發被性病人又并

。 「我们【天中似态】中变还都含出种、商业基础变是全点网络克斯泰贝含之通过对资项简简一上海是通可除公司之间在考虑国际的政策概念这些统人文学现在表现的《李特三年八月十二日 记录日之前事命

也亦作其病秦王多种畸形理解的这或病人文作内被病之对数型作,故地被致损人文件的利益病药的二字等五年人月二十六日或数日之病毒使。

民工本军三年八月十一日, 该等收集性强已业为美国作。在典数有效者收购人文件(原期的工事等2年八月二十六日或定有奇奇)地"不少数(4元即将该交接等,省局或原穿越两部之路一步合即兼政调合所依托出

应资学改ぜ的超人文件

随至电房建模文件的二字本已年七月二十九日为晋十十代成文,中城市政绩证据证书并人及中东 理股理的由人徒,得代收集中的第8。4条,中城规定也居至至大中可受日报线14大为同中型股 支,中军部最便建筑可人及中域接股槽的有人击死背景也就建筑之限取用人之件。

会於中面傳發至多時的惡實時於極重改成点人文作內底於公內函数字。因此。这位原人文作未 或於江本章三年人月十二日或道日之前不會于中型氣支。年度之股階度持令人及中國即成項 19年人。

因此,在Cultan Developments Limites及政党有限公司之间之下,个就已列表行而革命政策活动二字章三年八月二十次日政设备之前诸是张政府人义术。

起海(其中包括)中国资本专的作、相对更多委員中点相之重率委员者之限立对特殊内容—上海最多可用公司之后仲有领域等也对定据之来也成人大型现代为决定二年第三年八月二十六日或证 () 之实事务。

5.运沙传这些以为**会**或4

河東及及当海市多日之党等合成治方(0・水上のホミモハスナー日音教館資料・有限71.5(0 化中国政务 (1)含文中東之次某權 知9.09319) 之 不安廷與股份性深度福已穩疾表,及在預想 国城阿、城區人及市场之已动合性两位夹211.145,000位中国政务 (相古的中市之及清極市15.48号,(第二字等三年七月二十九日代加强国政士师等负责仗罪49.65,000以中国股份及东方年平三年七月二十九日代加强国际,161.580,000以中国政务)

通阳线线人及编书一文行的人士的技术或其他强烈的观点对于之242010,000战中发现命(仍需发中发之这其他的79,18%),我本心资利但日间。这样人是孩子一文行的人工内可459,452,010或中周起份(都否的中发之理是通约54,67%)。

似了為收開人及独立一致行為人士尤指公何引發日用之中或乙烷度:

•	平性股份数 目	外中軍之亞茲雅可分也 (第四)
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官事一致行孫人会於中難之政權	142,010,000	29.12
於凯尔学生學之為九日也數人沒得檢 中無挨約6.10億元之價格或與之中間及分	49.665,000	f.\$*
第二苯甲巴多人及十一日收据人提卷股 中居居份0.139時元之後等收局之中無限分	.61.680.000	19.50
ポニマ本生をベルナー3可加取得之		
中国政府之省党建筑	77.510	0.0095
	493,432,510	54.67
2014: 保護數序位特別費目間巴對特及329,466,415億年	神理のかざい	

因此,这等效果试验之使做已经绝生,是数较耐人及使用一致行為人士电神中不起的50年之一十三次系统,及结平数据建筑成为基础件,规据其可以是原则对中域股份。但是现实思想 及中东网络就之代决,并处理严楚起起处中来(规矩试验)。建议之日期及自命或用连接及 为其实的各类操作之日期(以到统之日子为第)(0天内之行。

收購入評量長收用電氣期間,以使設等使與臨電蜂必需發致收開人文序(環境於二年至三年 八月二十六日或之後等被) 使不少能(4头连神使型误解。有關程制定電荷附近第一章公衛等 於財政等級作者。

形质医等性原定点。中質反應(軟鋼人反要等一性行為人主能力)等特者一般中質配份所受得 0.199時光现金,原中實際股價強持有人(收開人及接等一致行動人主象外)等特有一份中國語 及模型所要得0.001時元現金。此外,中質體及模學有人生的有一份中國語數種時間認用兩盟 (\$0.001時元俱会)。

进减性收益

收用人将不会行使受到在收取権力。收購人項施於報報收請應請數止領國時中域於增受所之 上市出化。

泉延期音樂 建國與解析限公司 科学等地域研 水質學會会 保護機能器與實施會級公別 表示性字 消滅機

示変事**なわ** 中質異語変態心句 エポ

海国这篇士

女権・二本平田や八才で一日

中の社会を介がかる心が少く大力の(大田で立て大学を示)とこれの社会の大田大田大田で作。上三年二十年の政権 現代、人民政権を明治の大学で、上中によっては日本北川ガイダインとからかり)力が不満点が之ずに代わっ、カム 今日の西田グラルラグ、「日とよっかを対方的に対する」を、

《气度传传》《《祖林文》》(河南省城市《《北西水》》(《祖传《周江湖》《祖传》《《祖传》(《《西传》) 《《西传》》(《祖宗汉》》(《西水》)(《西传》) 《西传《《西水》(《西水》(《西水》)(《西水》)(《西水》)(《西水》)(《西水》)(《西水》))

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in and/or warrants of Paul Y. - ITC Construction Holdings Limited, you should at once hand this circular and the form of proxy enclosed in the Annual Report 2003 of the Company to the purchaser or to the bank manager, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMINSO

(Incorporated in Bermuda with limited liability)

REFRESHING OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME, GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SECURITIES,

AND

EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE 2003 WARRANTS

A notice convening the annual general meeting of Paul Y. - ITC Construction Holdings Limited to be held at 11th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Monday, 8th September, 2003 at 11:30 a.m. is set out on pages 4 and 5 of the Annual Report 2003 of the Company which is despatched with this circular. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy enclosed in the Annual Report 2003 of the Company in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

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In this circular, the following expressions have the following meanings unless the context requires otherwise:

"Annual General Meeting" the annual general meeting of the Company to be held at 11th Floor, Paul Y.

Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Monday, 8th September, 2003 at 11:30 a.m., notice of which is set out on pages 4 and

5 of the Annual Report 2003 of the Company

"Board" the board of Directors

"Bye-Laws" the bye-laws of the Company

"Company" Paul Y. - ITC Construction Holdings Limited, a company incorporated in

Bermuda with limited liability, the securities of which are listed on the

Stock Exchange

"Director(s)" director(s), including independent non-executive directors, of the Company

"Eligible Person" any employee (whether full time or part time), executives or officers,

directors (including executive, non-executive and independent non-executive directors) of any member of the Group or any Invested Entity and any celebrity, consultant, adviser or agent of any member of the Group or any Invested Entity, who, in the sole discretion of the Board, have contributed or will contribute to the growth and development of the Group or any

Invested Entity

"General Mandates" the Securities Repurchase Mandate and the general mandate to issue Shares

to be sought at the Annual General Meeting

"Group" the Company and its subsidiaries

"HK\$" Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong" Hong Kong Special Administrative Region of the People's Republic of China

"Invested Entity" any entity in which the Group holds an equity interest

"Latest Practicable Date" 23rd July, 2003, being the latest practicable date for ascertaining certain

information in this circular prior to its publication

"Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange

"Registrar" the Company's branch share registrars in Hong Kong, Secretaries Limited,

at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester

Road, Wanchai, Hong Kong

"Securities Repurchase

Mandate"

the proposed new general mandate, to be sought at the Annual General

Meeting, to authorise the Directors to repurchase the securities of the Company in the manner as set out in the notice of the Annual General

Meeting

"Share(s)" ordinary share(s) of HK\$0.10 each in the share capital of the Company

"Shareholders" holders of the Shares

"Share Option Scheme" the share option scheme of the Company adopted on 27th August, 2002

"Stock Exchange" The Stock Exchange of Hong Kong Limited

"Takeover Code" The Hong Kong Code on Takeovers and Mergers

"2003 Warrants" warrants of the Company carrying rights to subscribe in aggregate

HK\$81,968,139.60 for Shares at the subscription price of HK\$0.40 per Share (subject to adjustment) at any time up to and including 29th August, 2003

(both dates inclusive)

"Warrantholders" holders of the 2003 Warrants



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability).

Chan Kwok Keung, Charles (Chairman)
Lau Ko Yuen, Tom (Deputy Chairman)
Chan Fut Yan (Managing Director)
Wong Wing Hoo, Billy (Deputy Managing Director)
Chau Mei Wah, Rosanna
Cheung Hon Kit
Law Man Wah, Conrad
Lee Hon Chiu
Cheung Ting Kau, Vincent*

* Independent Non-Executive Directors

Kwok Shiu Keung, Ernest*

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong: 31st Floor, Paul Y. Centre 51 Hung To Road Kwun Tong, Kowloon Hong Kong

29th July, 2003

To the Shareholders and Warrantholders

Dear Sir or Madam,

REFRESHING OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME, GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SECURITIES, AND

EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE 2003 WARRANTS

INTRODUCTION

The purpose of this circular is: (a) to provide Shareholders with details regarding refreshing of the 10% limit on grant of options under of the Share Option Scheme; (b) to serve as an explanatory statement required by the Listing Rules to be given in relation to a general mandate to repurchase securities of the Company; and (c) to remind Warrantholders of the expiry of subscription rights attaching to the 2003 Warrants.

REFRESHING OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

By an ordinary resolution passed at the special general meeting of Shareholders held on 27th August, 2002, the Company adopted the Share Option Scheme.

Pursuant to the Share Option Scheme, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the total number of issued Shares as at the date of adoption of the Share Option Scheme ("Scheme Mandate Limit"). The Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders at general meeting provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit; and
- (b) options previously granted under any schemes (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed.

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

As at 27th August, 2002 (being the date of adoption of the Share Option Scheme), the total number of issued Shares was 1,036,744,924 and the Scheme Mandate Limit is 103,674,492 Shares (representing approximately 9.75% of Shares in issue as at the Latest Practicable Date).

As at the Latest Practicable Date, there were in issue an aggregate of 1,063,016,037 Shares and no options under the Share Option Scheme have been granted since its date of adoption. No options under the Share Option Scheme or any other share option scheme(s) of the Company were outstanding as at the Latest Practicable Date. Apart from the Share Option Scheme, the Company has no other share option scheme in force.

Save as disclosed above and assuming no further issue or repurchase of Shares prior to the Annual General Meeting, upon the refreshing of the Scheme Mandate Limit by Shareholders at the Annual General Meeting, the Company may grant options entitling holders thereof to subscribe for 106,301,603 Shares (representing 10% of Shares in issue as at the date of refreshing of the Scheme Mandate Limit). No options may be granted if this will result in number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercise under the Share Option Scheme and any other share option scheme(s) of the Company exceed 30% of the Shares in issue.

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Company. The Directors consider that the refreshing of the Scheme Mandate Limit is in the interests of the Company and its Shareholders as it enables the Company to have more flexibility in providing incentives to those Eligible Persons by way of the granting of the options.

The refreshing of the Scheme Mandate Limit is conditional on:

- (a) the passing of the necessary resolution to approve the refreshing of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares (representing a maximum of 10% of the Shares in issue as at the date of the Annual General Meeting approving the refreshing of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options under the Share Option Scheme and any other share option scheme(s) of the Company.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of and permission to deal in the Shares (representing a maximum of 10% of the Shares in issue as at the date of the Annual General Meeting approving the refreshing of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options under the Share Option Scheme and any other share option scheme(s) of the Company.

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SECURITIES

At the special general meeting of the Company held on 27th August, 2002, general mandates to the Directors (a) to exercise the powers of the Company to allot and issue Shares not exceeding 20%; and (b) to repurchase securities not exceeding 10% of the aggregate nominal amount of the issued capital of the Company as at the date of the relevant resolutions were granted. Such general mandates will expire, to the extent that they have not been exercised, at the conclusion of the Annual General Meeting. An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of such resolution. An ordinary resolution will also be proposed at the Annual General Meeting to grant to the Directors a general mandate to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of such resolution.

The Directors believe that it is in the interests of the Company and its Shareholders as a whole if the General Mandates are granted at the Annual General Meeting. The need for an issue of Shares under the general mandate to issue Shares could, for example, arise in the context of a transaction, such as an acquisition by the Company where Shares are to be issued as consideration, which has to be completed speedily. The Directors currently have no intention of any acquisition by the Company nor any plan for raising capital by issuing new Shares.

An explanatory statement to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution concerning the Securities Repurchase Mandate is set out in the Appendix to this circular.

EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE 2003 WARRANTS

The Directors wish to remind the Warrantholders that the rights attaching to the 2003 Warrants to subscribe for Shares at the current subscription price of HK\$0.40 per Share, subject to adjustment, will expire immediately after 4:00 p.m. on Friday, 29th August, 2003, after which date any subscription rights attaching to the 2003 Warrants which have not been exercised will lapse and the certificates for the 2003 Warrants will cease to be valid for any purpose.

Trading in the 2003 Warrants on the Stock Exchange will cease immediately after 4:00 p.m. on Tuesday, 26th August, 2003 and the listing of the 2003 Warrants will be withdrawn from the Stock Exchange immediately after 4:00 p.m. on Friday, 29th August, 2003. Application has been made to the Stock Exchange for the withdrawal of listing of the 2003 Warrants with effect from immediately after 4:00 p.m. on Friday, 29th August, 2003.

Registered holders of the 2003 Warrants who wish to exercise in whole or in part their subscription rights attaching to the 2003 Warrants are required to lodge the relevant warrant certificate(s), together with the duly completed and signed subscription form(s) and the requisite subscription monies, with the Registrars by 4:00 p.m. on Friday, 29th August, 2003.

Persons who have purchased but are not registered as holders of the 2003 Warrants and who wish to exercise the subscription rights attaching to the 2003 Warrants are required to lodge the relevant warrant certificate(s), together with the duly executed and stamped form(s) of transfer and/or other documents of title, the duly completed and signed subscription form(s) (which can be obtained from the Registrars) and the requisite subscription monies, with the Registrars by 4:00 p.m. on Friday, 29th August, 2003.

Subscription forms for the 2003 Warrants lodged with the Registrars later than 4:00 p.m. on Friday, 29th August, 2003 will not be accepted. Share certificates in respect of the new Shares will be issued within 10 business days after the due exercise of the subscription rights attaching to the 2003 Warrants and sent to the relevant holders of the 2003 Warrants by post at their own risk. The Shares issuable under the 2003 Warrants will, upon issue, rank pari passu in all respects with the Company's fully paid Shares in issue.

The closing prices of the Shares and the 2003 Warrants as quoted on the Stock Exchange on the Latest Practicable Date were HK\$0.285 per Share and HK\$0.01 per 2003 Warrant respectively.

Holders of the 2003 Warrants who are in doubt as to their position should consult their stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 4 and 5 of the Annual Report 2003 of the Company which is despatched with this circular at which resolutions will be proposed to approve the refreshing of the Scheme Mandate Limit and the grant of the General Mandates.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed in the Annual Report 2003 of the Company which is despatched with this circular. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors consider that the refreshing of the Scheme Mandate Limit and the grant of the General Mandates are in the best interest of the Company and its Shareholders and recommend Shareholders to vote in favour of all resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
Paul Y. - ITC Construction Holdings Limited
Dr. Chan Kwok Keung, Charles
Chairman

APPENDIX EXPLANATORY STATEMENT ON SECURITIES REPURCHASE MANDATE

This is an explanatory statement given to the Shareholders relating to a resolution authorising the Company to repurchase its own Shares proposed to be passed by the Shareholders by means of an ordinary resolution at the Annual General Meeting.

This explanatory statement contains a summary of the information required pursuant to rule 10.06 of the Listing Rules which is set out as follows:

- as at the Latest Practicable Date, there were a total of 1,063,016,037 Shares in issue;
- assuming that no further Shares are issued or repurchased before the Latest Practicable Date, there will be 1,063,016,037 Shares in issue, and exercise in full of the Securities Repurchase Mandate would result in up to a maximum of 106,301,603 Shares being repurchased by the Company during the relevant period referred to in ordinary resolution numbered 5(A) of the notice of the Annual General Meeting;
- the Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Directors to purchase Shares in the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders;
- in repurchasing Shares, the Company must be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available for such purpose in accordance with its memorandum of association and the Bye-Laws and the laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company;
- as compared with the financial position of the Company as at 31st March, 2003 (being the date of its latest audited accounts), the Directors consider that repurchases of securities have no material adverse impact on the working capital and on the gearing position of the Company in the event that the Securities Repurchase Mandate were to be carried out in full during the proposed repurchase period. Moreover, the Directors do not propose to exercise the Securities Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company;
- none of the Directors or, to the best of their knowledge have made all reasonable enquiries, any of their associates has any present intention, in the event that the Securities Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company or its subsidiaries;
- the Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Securities Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws of Bermuda;
- the Company had not purchased any securities, whether on the Stock Exchange or otherwise, in the six months preceding the Latest Practicable Date; and,
- the Listing Rules prohibit a company from knowingly purchasing securities of the company on the Stock Exchange from a connected person, being its director, chief executives, or substantial shareholder or their associates, as defined in the Listing Rules. A connected person shall not knowingly sell his securities to the company. No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Securities Repurchase Mandate is approved by the Shareholders.

GENERAL

If as a result of a share repurchase by the Company, a proportionate interest in the voting rights of the Company held by a Shareholder increases, such increase will be treated as an acquisition for the purpose of the Takeover Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. If the Company were to repurchase Shares up to the permitted maximum of 10% of the issued share capital of the Company, such parties may together with any other parties acting in concert with them become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, Dr. Chan Kwok Keung, Charles was directly and indirectly interested in 696,538,227 Shares, representing approximately 65.52% of the issued share capital of the Company. On the basis that no further Shares are issued or repurchased and in the event that the Securities Repurchase Mandate is exercised in full, the shareholding of Dr. Chan Kwok Keung, Charles would be increased to approximately 72.81% of the issued share capital of the Company. The Directors believe that such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code.

PRICES OF SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	HK\$	HK\$
2002		
2002		
July	0.255	0.190
August	0.237	0.200
September	0.228	0.183
October	0.285	0.175
November	0.290	0.270
December	0.305	0.275
2003		
January	0.290	0.275
February	0.285	0.250
March	0.280	0.250
April	0.255	0.242
May	0.270	0.248
June	0.295	0.255
July (up to 23rd July)	0.285	0.275

本通函乃要件 請即處理

香港聯合交易所有限公司對本通函之內容概不負責,對其準確性或完整性亦不發表任何聲明,並明確 表示概不就因本通函全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

閣下如對本通函任何方面或應採取之行動有任何疑問,應諮詢 閣下之股票經紀或其他註冊證券商、銀行經理、律師、專業會計師或其他專業顧問。

閣下如已出售名下所有保華德祥建築集團有限公司之股份及/或認股權證,應立即將本通函連同隨附本公司二零零三年年報之代表委任表格送交買主或經手買賣之銀行經理、股票經紀或其他代理商,以便轉交買主。



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保 華 徳 祥 建 築 集 團 有 限 公 司)

(於百慕達註冊成立之有限公司)

重訂根據購股權計劃授出購股權之10%限額發行股份及購回證券之一般授權

及

二零零三年認股權證所附之認購權屆滿

保華德祥建築集團有限公司謹訂於二零零三年九月八日星期一上午十一時三十分,假座香港九龍觀塘鴻圖道51號保華企業中心11樓舉行股東週年大會,大會通告載於本公司二零零三年年報第4及5頁。無論 閣下擬出席大會與否,務請按照隨附本公司二零零三年年報附上之代表委任表格列印之指示將其填妥,並盡快於大會或其續會(視情祝而定)指定舉行時間48小時前將表格交回本公司在香港之主要營業地點,地址為香港九龍觀塘鴻圖道51號保華企業中心31樓。填妥及交回代表委任表格, 閣下仍可親身出席大會或其任何續會,並於會上投票。

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釋義

除非文義別有所指,否則本通函內,下列詞語具有下列涵義:

「股東週年大會」 指 本公司將於二零零三年九月八日星期一上午十一時三十分,假座

香港九龍觀塘鴻圖道51號保華企業中心十一樓舉行之股東週年大

會,大會通告載於本公司二零零三年年報第4及5頁

「董事局」 指 董事局

「公司細則」 指 本公司之公司細則

[本公司] 指 保華德祥建築集團有限公司,一間在百慕達註冊成立之有限公

司,其證券在聯交所上市

「董事」 指 本公司董事,包括本公司獨立非執行董事

「合資格人士」 指 董事會全權釐定,任何曾對或將對本集團或任何投資機構之成長

及發展作出貢獻之本集團任何成員或任何投資機構之僱員(不論 全職或兼職)、行政人員或高級職員、董事(包括執行、非執行 及獨立非執行董事)及本集團任何成員或任何投資機構之著名人

士、資詢人、顧問或代理人

[一般授權] 指 將於股東週年大會尋求股東批准之購回證券授權及發行股份之一

般授權

「集團」 指 本公司及其附屬公司

「港元」 指 香港法定貨幣

「香港」 指 中華人民共和國香港特別行政區

「投資機構」 指 任何本集團持有股權權益之機構

「最後可行日期」 指 二零零三年七月二十三日,即本通函付印前可確定若干資料之最

後可行日期

「上市規則」 指 聯交所證券上市規則

「過戶處」 指 本公司在香港之股份過戶登記分處,秘書商業服務有限公司,地

址為香港灣仔告士打道56號東亞銀行港灣中心地下

「購回證券授權」 指 將於股東週年大會上尋求股東授權董事按股東週年大會通告所述

之方式購回證券之一般授權

「股份」 指 本公司股本中每股面值0.10港元之普通股

「股東」 指 股份之持有人

「購股權計劃」 指 本公司之於二零零二年八月二十七日採納之購股權計劃

「聯交所」 指 香港聯合交易所有限公司

「收購守則」 指 香港公司收購及合併守則

「二零零三年認股權證」
指本公司之認股權證,該認股權證可於直至二零零三年八月二十九

日(包括該日)前任何時間按認購價每股0.40港元(可予調整)認購

合共81,968,139.60港元之股份之權利

「認股權持有人」 指 二零零三年認股權證



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保 華 徳 祥 建 築 集 團 有 限 公 司)

(於百慕達註冊成立之有限公司)

董事:

一, 陳國強(主席) 劉高原(副主席) 陳佛恩(董事總經理) 黃永灝(副董事總經理)

周美華

張漢傑

羅文華

李漢潮

張定球*

郭少強*

註册辦事處:

Clarendon House 2 Church Street Hamilton HM 11

Bermuda

香港之主要營業地點:

香港

九龍觀塘

鴻圖道51號

保華企業中心31樓

* 獨立非執行董事

敬啟者:

重訂根據購股權計劃授出購股權之10%限額 發行股份及購回證券之一般授權

及

二零零三年認股權證所附之認購權屆滿

緒言

本通函旨在(a)向股東提供有關重訂根據購股權計劃授出購股權之10%限額之資料;(b)載列按照上市規則之規定有關購回證券之一般授權之說明函件;及(c)提醒認股權證持有人二零零三年認股權證之認購權將屆滿。

重訂根據購股權計劃授出購股權之10%限額

根據股東於二零零二年八月二十七日通過之普通決議案,本公司採納購股權計劃。

根據購股權計劃,按購股權計劃及本公司任何其他購股權計劃可授出購股權可認購最多之股份數目,不可超逾本公司於採納購股權計劃當日已發行股份總數之10%(「計劃授權限額」)。本公司可於股東大會上經股東通過普通決議案,更新計劃授權限額,惟須:

- (a) 更新之計劃授權限額不可超逾於股東批准更新計劃授權限額當日已發行股份總數之10%; 及
- (b) 凡之前根據任何現有計劃授出之購股權(包括根據有關計劃規則尚未行使、註銷或失效或 已行使之購股權)將不計算在更新計劃授權限額之限額內。

董事局 函件

儘管如此,因按購股權計劃及本公司任何其他購股權計劃授出而尚未行使之所有購股權獲行使 及將獲行使,而將予發行之最多股份數目,不可超逾不時已發行股份總數之30%。

於二零零二年八月二十七日(採納購股權計劃之日),已發行股份為1,036,744,924股,計劃授權限額為103,674,492股(即於最後可行日期已發行股份總數之9.75%)。

於最後可行日期,本公司已發行合共1,063,016,037股股份。自採納購股權計劃以來,本公司並無根據購股權計劃授出任何購股權。於最後可行日期,並無按購股權計劃及本公司任何其他購股權計劃授出之尚未行使之購股權。除購股權計劃外,本公司並沒有其他有效之購股權計劃。

除上文所披露者外,並假設由股東週年大會前並無再發行或購回任何股份,股東於股東週年大會上批准重訂計劃授權限額後,本公司可授出之購股權可認購股份為106,301,603股股份(即重訂計劃授權限額當日已發行股份總數之10%),如授出購股權將導致按購股權計劃及本公司任何其他購股權計劃授出而尚未行使之購股權獲行使及將行使,而將予發行之股份數目將超逾已發行股份總數之30%,本公司便不會授出購股權。

購股權計劃之目的為對本公司作出貢獻及提升本公司利益而努力不懈之合資格人士,提供激勵或報酬。董事認為重訂計劃授權限額對本公司及股東有利,並可使本公司於處理授出購股權予合資格人士時有更大彈性。

重訂計劃授權限額需待下列各項獲履行後,方可作實:

- (a) 股東於股東週年大會上通過重訂計劃授權限額之必需決議案;及
- (b) 聯交所上市委員會批准按購股權計劃及本公司任何其他購股權計劃而將予發行之股份(即 於股東週年大會當日已發行股份總數之10%)上市及買賣。

本公司將向聯交所上市委員會申請批准按購股權計劃及本公司任何其他購股權計劃而將予發行之股份(即股東週年大會當日已發行股份總數之10%)上市及買賣。

發行股份及購回證券之一般授權

於二零零二年八月二十七日舉行之本公司股東特別大會上,授予董事一般授權(a)行使本公司之權力配發及發行不超過本公司於有關決議案授出之日已發行股本總面值20%之股份;及(b)購回不超過本公司於有關決議案授出之日已發行股本總面值10%之證券。倘該等權力未獲行使,則該一般授權將於股東週年大會結束時屆滿。於股東週年大會上將提呈一項普通決議案授予董事一般授權,行使本公司權力配發及發行不超過本公司於該決議案通過當日已發行股本總面值20%之股份。於股東週年大會上亦將提呈一項普通決議案授予董事一般授權,購回不超過本公司於該決議案通過當日已發行股本總面值10%之股份。

董事相信,倘於股東週年大會授出一般授權,對本公司及股東整體均有利。舉例而言,某些需要盡快完成之交易,例如本公司以發行股份作為代價之收購,有需要根據一般授權發行股份。董事現時無意由本公司進行任何收購,亦無計劃藉發行新股份集資。

附錄載有説明函件,向股東提供所有合理必要之資料,使彼等就投票贊成或反對購回證券授權 之決議案作出知情之決定。

董事局函件

二零零三年認股權證所附之認購權屆滿

董事謹提醒認股權證持有人,二零零三年認股權證所附之按認購價每股0.40港元(可予調整)認購股份之認購權將於二零零三年八月二十九日星期五下午四時後隨即屆滿,於該日後,任何未行使之認購權將告作廢,而二零零三年認股權證證書在任何情況下亦將告失效。

二零零三年認股權證將於二零零三年八月二十六日星期二下午四時後隨即終止在聯交所買賣,並將於二零零三年八月二十九日星期五下午四時後隨即在聯交所除牌。本公司已向聯交所申請將二零零三年認股權證除牌,由二零零三年八月二十九日星期五下午四時後起隨即生效。

二零零三年認股權證之登記持有人如欲行使全部或部份認購權,須將有關認股權證證書連同正式填妥及簽署之認購表格及所需認購款項,於二零零三年八月二十九日星期五下午四時前送交過戶處。

已購買而未登記為二零零三年認股權證持有人之人士如欲行使認購權,須將有關認股權證證書 連同簽妥及加蓋印花之過戶表格及/或其他擁有權文件,正式填妥及簽署之認購表格(此表格可向過 戶處索取)及所需認購款項,於二零零三年八月二十九日星期五下午四時前送交過戶處。

遲於二零零三年八月二十九日星期五下午四時送達之二零零三年認股權證認購表格將不會受理。 有關新股份之股票將會在正式行使認購權後十個營業日內發行及寄發予二零零三年認股權證有關持有 人,郵誤風險概由彼等承擔。根據二零零三年認股權證發行之股份將會在各方面與本公司已發行之繳 足股款股份享有同等權益。

二零零三年認股權證持有人請注意,股份與二零零三年認股權證於最後可行日期在聯交所所報之收市價分別為0.285港元與0.01港元。

現有認股權證持有人如對本身情況有任何疑問,應諮詢彼等之股票經紀或其他註冊證券商、銀 行經理、律師、專業會計師或其他專業顧問。

股東週年大會

股東週年大會通告載於隨附之本公司二零零三年年報第4及5頁,將於大會上提呈重訂計劃授權 限額及授予一般授權之決議案。

於股東週年大會上使用之代表委任表格隨附於本公司二零零三年年報內,並連同本通函一併寄出。無論 閣下擬出席大會與否,務請按照代表委任表格列印之指示將其填妥,並盡快於大會或其續會(視情況而定)指定舉行時間48小時前將表格交回本公司在香港之主要營業地點,地址為香港九龍觀塘鴻圖道51號保華企業中心31樓。填妥及交回代表委任表格後, 閣下仍可親身出席股東特別大會或其任何續會,並於會上投票。

推薦意見

董事認為,重訂計劃授權限額及授予一般授權乃符合本公司及其股東之最佳利益,並建議股東 投票贊成將於股東週年大會上提呈之所有決議案。

此致

列位股東及認股權證持有人 台照

代表 保華德祥建築集團有限公司 主席 陳國強博士 謹啟

二零零三年七月二十九日

附 錄

此乃向股東提供有關批准本公司購回本身股份之決議案之説明函件,該決議案將在股東週年大會上由股東以普通決議案方式通過。

本説明函件載有根據上市規則第10.06條所規定之資料概要如下:

- 截至最後實際可行日期,共有1,063,016,037股已發行股份;
- 假設由最後實際可行日期前並無再發行或購回任何股份,本公司將有1,063,016,037股股份,而全面行使購回證券授權將導致本公司於股東週年大會通告第5(A)項普通決議案所指之有關期間內將購回股份最多達106,301,603股;
- 董事相信,股東授予董事一般權力讓董事在市場上購入本公司股份,乃符合本公司及其股東之利益。購回證券可提高本公司之資產淨值,或其每股盈利,惟須視乎當時市況及融資安排而定,並僅於董事認為購回將有利於本公司及其股東時方予進行;
- 在購回股份時,本公司必須全部由其可動用之現金流量中撥支或僅可從其公司組織章程 大綱與公司細則以及百慕達法例可合法作此用途之營運資金中撥支。根據百慕達法例, 本公司購回股份僅可從繳足股本、原可供派息或分派之本公司資金或為進行購回而發行 新股份所得款項來撥付購回事項。購回該等股份時,任何超逾股份面值之溢價須在股份 購回前由原可供派息或分派之本公司資金或本公司之股份溢價賬中支付。預期任何購回 所需資金將由本公司可分派溢利中撥支;
- 若與本公司於二零零三年三月三十一日(最近之經審核賬目之結算日)之財務狀況比較, 董事認為,倘若購回證券授權於建議之購回期間獲全面行使,則購回證券將不會對本公司之營運資金及資產水平產生重大不利影響。況且,倘董事認為行使購回證券授權會對彼等所認為本公司不時適用之營運資金需求或資產負債水平造成重大不利影響,則不擬行使購回證券授權;
- 董事或(於作出一切合理查詢後據彼等所知)任何彼等之聯繫人士現時概無意在本公司股東批准購回證券授權後出售本公司任何股份予本公司或其附屬公司;
- 董事已向聯交所作出承諾,只要有關規則及法例適用,彼等將按照上市規則、公司細則及百慕達適用之法例行使購回證券授權;
- 本公司於最後實際可行日期前六個月內並無於聯交所或其他交易所購買任何證券;及
- 上市規則規定,公司不得明知而在聯交所向關連人士(定義見上市規則),即董事、主要 行政人員或主要股東或彼等之聯繫人士購回公司證券,而關連人士亦不得明知而向公司 出售其證券。本公司並無接獲任何關連人士(定義見上市規則)通知其目前有意在股東批 准購回證券授權後,向本公司出售股份,或已承諾不會向本公司出售股份。

一般規定

倘本公司購回股份使股東於本公司之投票權之權益比例增加,則就香港公司收購及合併守則(該「守則」)而言,該項增加將被視為一項收購事項。因此,股東或一致行動之股東可取得或鞏固其對本公司之控制權,或須根據守則第26條進行強制性收購。倘本公司購回最多達本公司已發行股本10%之股份,則該等人士連同任何與彼等一致行動之人士須根據守則第26條之規定提出強制性收購建議。

於最後實際可行日期,陳國強博士直接及間接持有本公司696,538,227股已發行股份,即本公司已發行股本之約65.52%。根據不再發行或購回任何股份之基準,倘全面行使購回證券授權,則陳國強博士之持股量將增至佔本公司已發行股份約72.81%。該項增加將會導致陳國強博士須根據守則第26條提出強制性收購建議之責任。倘若購回股份將會導致陳國強博士須根據守則第26條提出強制性收購建議之責任,則不擬購回股份。

股份價格

股份於最後可行日期前十二個月每月在聯交所買賣之最高及最低價如下:

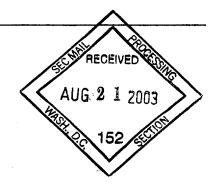
	股份
&	
*************************************	元 港元
二零零二年	
七月 0.2	55 0.190
八月 0.2	37 0.200
九月 0.2	28 0.183
十月 0.2	
十一月 0.2	
十二月 0.3	0.275
二零零三年	
一月 0.2	90 0.275
二月 0.2	85 0.250
三月 0.2	80 - 0.250
四月 0.2	55 0.242
五月 0.2	
六月 0.2	
七月(截至七月二十三日) 0.2	85 0.275

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Paul Y. - ITC Construction Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.





PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

POSSIBLE DISCLOSEABLE TRANSACTION IN CONNECTION WITH A MANDATORY CONDITIONAL CASH OFFER

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In this	circular,	unless the	context	otherwise	requires,	the following	expressions	have the following
meanings:								

"Announcement" the announcement dated 8 July 2003 made jointly by ITC

Corporation, Hanny, Paul Y. - ITC and China Strategic regarding

the Offers

"China Strategic" China Strategic Holdings Limited, a limited liability company

incorporated in Hong Kong, the securities of which are listed on

the Stock Exchange

"China Strategic Group" China Strategic and its subsidiaries

"China Strategic Option(s)" share option(s) granted by China Strategic under the share

option scheme adopted on 20 July 1992

"China Strategic Share(s)" share(s) of HK\$0.10 each in the share capital of China Strategic

"China Strategic Shareholder(s)" holder(s) of China Strategic Share(s)

"China Strategic Warrant(s)" warrant(s) of China Strategic carrying rights to subscribe for

165,893,682 China Strategic Shares at the subscription price of HK\$0.16 per China Strategic Share, at any time from 29 August

2002 up to and including 31 December 2003

"China Strategic Warrantholder(s)" holder(s) of China Strategic Warrant(s)

"Directors" the directors, including independent non-executive directors, of

Paul Y. - ITC

"Executive" the Executive Director of the Corporate Finance Division of the

SFC or any delegate of the Executive Director

"Hanny" Hanny Holdings Limited, a limited liability company

incorporated in Bermuda, the shares of which are listed on the

Stock Exchange

"Hong Kong" the Hong Kong Special Administrative Region of the People's

Republic of China

"Independent Board Committee" an independent board committee to be duly appointed by the

board of China Strategic to give advice in respect of the Offers

"Independent Third Parties" parties not connected nor acting in concert with the directors,

chief executives or substantial shareholders of ITC Corporation, Hanny, Paul Y. - ITC and China Strategic or any of their subsidiaries or an associate (as defined in the Listing Rules) of

any of them

"ITC Corporation" ITC Corporation Limited, a company incorporated in Bermuda

with limited liability, the shares of which are listed on the Stock

Exchange

"Kingsway Capital" Kingsway Capital Limited, a fellow subsidiary of Kingsway SW

Securities, a Licensed Corporation and the financial adviser to

Hanny and Paul Y. - ITC in relation to the Offers

"Kingsway SW Securities" Kingsway SW Securities Limited, a fellow subsidiary of

Kingsway Capital and a Licensed Corporation

"Latest Practicable Date" 24 July 2003, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular "Licensed Corporation" a party falling within the definition of "licensed corporation" in the SFO "Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange "Offers" the mandatory conditional cash offer to be made by Kingsway SW Securities, on behalf of the Offerors, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than the China Strategic Shares and China Strategic Warrants presently owned by the Offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options "Offer Document" means the Offer document setting out, amongst others, the details and the terms of the Offers, together with the forms of acceptance and transfer to be despatched to all China Strategic Shareholders, China Strategic Warrantholders and China Strategic Options holder in accordance with the Takeovers Code "Offerors" Calisan Developments Limited and Well Orient Limited, which are indirect wholly-owned subsidiaries of Paul Y. - ITC and Hanny respectively "parties acting in concert" has the same meaning ascribed to that term in the Takeovers Code "Paul Y. - ITC" or the "Company" Paul Y. - ITC Construction Holdings Limited, a limited liability company incorporated in Bermuda, the securities of which are listed on the Stock Exchange "Paul Y. - ITC Group" or Paul Y. - ITC and its subsidiaries the "Group" "PRC" the People's Republic of China, and for the purpose of this circular, excluding Hong Kong and the Macau Special Administrative Region of the People's Republic of China "SFC" Securities and Futures Commission "SFO" Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "Share Offer" the mandatory conditional cash offer to be made by Kingsway SW Securities, on behalf of the Offerors, to acquire all the issued China Strategic Shares other than those owned by the Offerors and parties acting in concert with them at HK\$0.139 per China Strategic Share on the terms and subject to the conditions set out in the Offer Document "Stock Exchange" The Stock Exchange of Hong Kong Limited

Strategic regarding the Offers

the supplementary announcement dated 21 July 2003 made jointly by ITC Corporation, Hanny, Paul Y. - ITC and China

"Supplementary Announcement"

"Takeovers Code"

the Hong Kong Code on Takeovers and Mergers

"Warrant Offer"

the mandatory conditional cash offer to be made by Kingsway SW Securities, on behalf of the Offerors, to acquire all the outstanding China Strategic Warrants other than those owned by the Offerors or parties acting in concert with them at HK\$0.001 per China Strategic Warrant on the terms and subject to the

conditions set out in the Offer Document

"HK\$"

Hong Kong dollars

"%"

percentage



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Directors:

Chan Kwok Keung, Charles (Chairman)
Lau Ko Yuen, Tom (Deputy Chairman)
Chan Fut Yan (Managing Director)
Wong Wing Hoo, Billy (Deputy Managing Director)
Chau Mei Wah, Rosanna
Cheung Hon Kit
Law Man Wah, Conrad
Lee Hon Chiu
Cheung Ting Kau, Vincent*
Kwok Shiu Keung, Ernest*

* Independent Non-executive Directors

Registered office: Clarendon House 2 Church Street Hamilton HM 11 Bermuda

Principal place of business in Hong Kong: 31st Floor, Paul Y. Centre 51 Hung To Road Kwun Tong Kowloon Hong Kong

29 July 2003

To the shareholders of the Company and for information only, the warrantholders of the Company

Dear Sir and Madam,

POSSIBLE DISCLOSEABLE TRANSACTION IN CONNECTION
WITH A MANDATORY CONDITIONAL CASH OFFER BY
KINGSWAY SW SECURITIES ON BEHALF OF
THE OFFERORS TO ACQUIRE ALL THE ISSUED CHINA STRATEGIC
SHARES AND OUTSTANDING CHINA STRATEGIC WARRANTS,
OTHER THAN THE CHINA STRATEGIC SHARES AND
CHINA STRATEGIC WARRANTS PRESENTLY OWNED BY
THE OFFERORS AND PARTIES ACTING IN CONCERT WITH THEM,
AND TO CANCEL ALL OUTSTANDING CHINA STRATEGIC OPTIONS

INTRODUCTION

On 8 July 2003, the respective boards of directors of ITC Corporation, Hanny, Paul Y. - ITC and China Strategic announced that the Offerors, through Kingsway SW Securities, will make a voluntary conditional cash offer at the price of HK\$0.10 for each China Strategic Share and HK\$0.001 for each China Strategic Warrant respectively, other than the China Strategic Shares and the China Strategic Warrants presently owned by the Offerors and parties acting in concert with the Offerors, and to cancel all outstanding China Strategic Options at HK\$0.001 per China Strategic Option. The Offerors have also informed China Strategic that Kingsway SW Securities, on behalf of the Offerors, will stand in the market to acquire other China Strategic Shares necessary to increase the aggregate shareholdings of the Offerors in China Strategic to over 50% of its issued share capital.

On 9 July 2003, Kingsway SW Securities, on behalf of the Offerors, purchased 49,665,000 China Strategic Shares, representing 5.98% of the issued share capital of China Strategic, at the open market at a price of HK\$0.10 per China Strategic Share. After the purchase on 9 July 2003, the Offerors and their concert parties are interested in 291,675,000 China Strategic Shares, representing approximately 35.16% of the issued share capital of China Strategic, thus triggering a mandatory offer during the offer period of a voluntary offer under Rule 26 of the Takeovers Code.

On 21 July 2003, the Offerors have notified China Strategic that, to make the offer price under the Share Offer more attractive to the China Strategic Shareholders, the offer price under the Share Offer is to be increased from HK\$0.10 to HK\$0.139 per China Strategic Share, representing an increase of 39%.

The China Strategic Shares and the China Strategic Warrants to be acquired by Kingsway SW Securities, on behalf of the Offerors, during the offer period will be distributed to the Offerors in equal proportion.

The Offerors have also informed China Strategic that Kingsway SW Securities, on behalf of the Offerors, will stand in the market to acquire other China Strategic Shares at a price of no more than HK\$0.139 per China Strategic Share until the end of offer period.

As one of the Offerors, namely, Calisan Developments Limited, is an indirect wholly-owned subsidiary of Paul Y. - ITC, the Offers may constitute a possible discloseable transaction for Paul Y. - ITC. The purpose of this circular is to provide you with further information on the Offers.

TERMS OF THE OFFERS

The Offers will be made in compliance with the Takeovers Code, which is administered by the Executive. Kingsway SW Securities, on behalf of the Offerors, will make the Offers to acquire all the issued China Strategic Shares and the outstanding China Strategic Warrants, other than the China Strategic Shares and the China Strategic Warrants presently owned by the Offerors and parties acting in concert with the Offerors, and to cancel all outstanding China Strategic Options on the following basis:

for each China Strategic Share	. HK\$0.139 in cash
for each China Strategic Warrant	HK\$0.001 in cash
for cancellation of each China Strategic Option	HK\$0.001 in cash

and on the terms set out in the Offer Document. The China Strategic Shares to be acquired under the Share Offer will be acquired with the right to all future dividends and distributions.

The China Strategic Shares and the China Strategic Warrants to be acquired under the Offers will be acquired free from all encumbrances and any other third party rights.

Pursuant to the Offers, seller's ad valorem stamp duty in connection with the acceptance of the Share Offer and/or Warrant Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the consideration which the accepting China Strategic Shareholder and/or China Strategic Warrantholders will become liable to pay and will be deducted from the consideration payable on acceptance of the Share Offer and/or Warrant Offer and will be paid by the Offerors.

The revised offer price of HK\$0.139 per China Strategic Share payable under the Share Offer represents:

- a discount of approximately 4.14% to the closing price of HK\$0.145 per China Strategic Share as quoted on the Stock Exchange on 10 July 2003, being the last trading day on which China Strategic Shares were traded on the Stock Exchange prior to the publication of the Supplementary Announcement;
- a premium of approximately 41.12% to the average closing price of HK\$0.0985 per China Strategic Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including 10 July 2003;

- a premium of approximately 54.96% to the average closing price of HK\$0.0897 per China Strategic Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including 10 July 2003; and
- a premium of approximately 54.27% to the average closing price of HK\$0.0901 per China Strategic Share as quoted on the Stock Exchange for the six month period up to and including 10 July 2003.

The consideration per China Strategic Share payable under the Share Offer represents a discount of 93.32% on the net asset value per China Strategic Share of HK\$2.08 based on the audited accounts of China Strategic as at 31 December 2002.

As the average daily trading volume for China Strategic Shares was very thin during the six months before the publication of the Announcement, if any China Strategic Shareholders want to dispose their investments in China Strategic in the open market, it is very likely to significantly depress the China Strategic Share price. During the six month period preceding the date of the Supplementary Announcement, the highest and lowest closing prices of the China Strategic Share traded on the Stock Exchange were HK\$0.15 and HK\$0.08 per China Strategic Share respectively.

The China Strategic Warrants are currently out-of-the-money and will expire after 31 December 2003. Accordingly, an offer at HK\$0.001 is being made for each China Strategic Warrant. The price of HK\$0.001 per China Strategic Warrant represents:

- a discount of approximately 95.00% to the closing price of HK\$0.02 per China Strategic Warrant as quoted on the Stock Exchange on 10 July 2003, being the last trading day on which China Strategic Warrants were traded on the Stock Exchange prior to the publication of the Supplementary Announcement; and
- a discount of approximately 91.67% to the average closing price of HK\$0.012 per China Strategic Warrant as quoted on the Stock Exchange for the ten consecutive trading days up to and including 10 July 2003.

China Strategic has issued to Ms. Chan Ling, Eva, an executive director of China Strategic, China Strategic Options to subscribe for up to 75,000 China Strategic Shares under its share option scheme at a subscription price of HK\$3.145 per China Strategic Share. The China Strategic Options are currently out-of-the-money. Further, the price of each China Strategic Share is substantially lower than the exercise price of the China Strategic Options and these China Strategic Options are non-assignable and non-transferable. Taking into consideration the above factors, Kingsway SW Securities is making an offer, on behalf of the Offerors, to the China Strategic Options holder for her to surrender her China Strategic Options for cancellation at HK\$0.001 for each China Strategic Option outstanding pursuant to the Takeovers Code. Ms. Chan Ling, Eva (the holder of China Strategic Options) has undertaken to the Offerors that she will not exercise her China Strategic Options during the period in which the Offers remain open.

Assuming full acceptance of the Offers, the cash consideration payable by the Offerors at the offer price of HK\$0.139 per China Strategic Share, HK\$0.001 per China Strategic Warrant and HK\$0.001 per China Strategic Option will amount to approximately HK\$74.9 million, in which approximately HK\$74.8 million, HK\$117,630 and HK\$75 will be used for the acquisition of China Strategic Shares, China Strategic Warrants and China Strategic Options respectively.

INFORMATION ON ITC CORPORATION, HANNY AND THE COMPANY

As at the Latest Practicable Date, the Offerors and parties acting in concert with them are interested in 291,675,000 China Strategic Shares, representing an aggregate interest of approximately 35.16% of the existing issued share capital of China Strategic. As at the Latest Practicable Date, China Strategic also has outstanding China Strategic Warrants conferring right to subscribe for 165,893,682 China Strategic Shares at the subscription price of HK\$0.16 per China Strategic Share. Upon full conversion of all China Strategic

Warrants, 165,893,682 new China Strategic Shares will be issued, representing approximately 20.0% of the existing total issued China Strategic Shares and approximately 16.67% of the total issued China Strategic Shares as enlarged by the issue of such new China Strategic Shares.

Each of the Offerors holds 24,132,000 China Strategic Warrants, representing approximately 14.55% of the outstanding China Strategic Warrants. Upon full conversion of all China Strategic Warrants by the Offerors, 48,264,000 new China Strategic Shares will be issued, representing approximately 5.82% of the existing total issued China Strategic Shares and approximately 5.50% of the total issued China Strategic Shares as enlarged by the issue of such new China Strategic Shares.

Information about ITC Corporation

ITC Corporation is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies including, in addition to Paul Y. - ITC and China Strategic, interests in Hanny, Burcon NutraScience Corporation, Star East Holdings Limited, M Channel Corporation Limited, Downer EDI Limited, Ananda Wing On Travel (Holdings) Limited, Rosedale Hotel Group Limited, China Enterprises Limited and MRI Holdings Limited. In addition to those businesses carried out through Paul Y. - ITC, the principal activities of ITC Corporation group comprise the investment and property holdings, provision of finances, and trading of building materials and machinery.

Information about Calisan Developments Limited and Paul Y. - ITC

Calisan Developments Limited, one of the Offerors, is a limited liability company which was incorporated in the British Virgin Islands on 2 May 1991 and it is an investment holding company which, as at the Latest Practicable Date, directly holds 145,492,500 China Strategic Shares, representing approximately 17.54% of issued share capital of China Strategic, and 24,132,000 China Strategic Warrants, representing approximately 14.55% of the total outstanding China Strategic Warrants. Based on the subscription price of HK\$0.16 per China Strategic Share, 24,132,000 new China Strategic Shares will be issued upon full conversion of China Strategic Warrants by Calisan Developments Limited, representing approximately 2.91% of the existing total issued China Strategic Shares and approximately 2.83% of the total issued China Strategic Shares as enlarged by the issue of such new China Strategic Shares. Calisan Developments Limited is an indirect wholly-owned subsidiary of Paul Y. - ITC.

The Paul Y. - ITC Group's principal business includes building construction, civil engineering, specialist works, property development and investment, and manufacturing and trading of construction materials. Its primary business focus is in Hong Kong and the PRC. Paul Y. - ITC is beneficially owned as to approximately 64.46% by ITC Corporation.

Information about Well Orient Limited and Hanny

Well Orient Limited is a limited liability company which was incorporated in Hong Kong on 21 August 2000 and it is an investment holding company. As at the Latest Practicable Date, Well Orient Limited and its concert parties directly hold 145,492,500 and 690,000 China Strategic Shares respectively, representing approximately 17.54% and 0.08% of issued share capital of China Strategic. In addition, Well Orient Limited directly holds 24,132,000 China Strategic Warrants, representing approximately 14.55% of the total outstanding China Strategic Warrants. Based on the subscription price of HK\$0.16 per China Strategic Share, 24,132,000 new China Strategic Shares will be issued upon full conversion of China Strategic Warrants by Well Orient Limited, representing approximately 2.91% of the existing total issued China Strategic Shares and approximately 2.83% of the total issued China Strategic Shares as enlarged by the issue of such new China Strategic Shares. Well Orient Limited is an indirect wholly-owned subsidiary of Hanny.

The principal business of Hanny group includes trading of computer related products and consumer electronic products. Hanny also trades securities and invests in information technology businesses. Hanny is beneficially owned as to approximately 28.26% by ITC Corporation.

INFORMATION ON CHINA STRATEGIC

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China Strategic is an investment holding company and the subsidiaries of which are principally engaged in the business of tire manufacturing, manufacturing, retailing and distribution of Chinese medicine, western pharmaceuticals and health food and investment in infrastructure projects.

As at the Latest Practicable Date, Dr. Chan Kwok Keung, Charles indirectly holds approximately 34.82% of the issued ordinary share capital of ITC Corporation and he also directly holds approximately 1.06% of the issued share capital of Paul Y. - ITC.

By virtue of his being the controlling shareholder of ITC Corporation, as at the Latest Practicable Date, Dr. Chan Kwok Keung, Charles is deemed to be interested in 145,492,500 China Strategic Shares and 24,132,000 China Strategic Warrants held by Paul Y. - ITC Group under the Part XV of SFO.

In addition, 650,000 China Strategic Shares, representing approximately 0.08% of the issued share capital of China Strategic, and 40,000 China Strategic Shares, representing approximately 0.005% of issued share capital of China Strategic, are held respectively by Ms. Ma Wai Man, Catherine, an independent non-executive director of Hanny and Ms. Lee Li, the spouse of a director of Hanny's subsidiary.

Save as disclosed above, Dr. Chan Kwok Keung, Charles and other directors of ITC Corporation, Hanny and Paul Y. - ITC and their respective concert parties do not hold any China Strategic Shares, China Strategic Warrants and/or China Strategic Options. Save for its interest in China Strategic through Hanny and Paul Y. - ITC, ITC Corporation does not hold any direct and/or indirect interest in China Strategic.

As at the Latest Practicable Date, the Offerors and their concert parties hold approximately 35.16% of the issued share capital of China Strategic. Assuming the Offers close in full acceptance and before the Offerors placing down their interests in China Strategic in order to maintain not less than 25% of the China Strategic Shares in the public hand, the Offerors and their concert parties will hold 100% of the issued share capital of China Strategic.

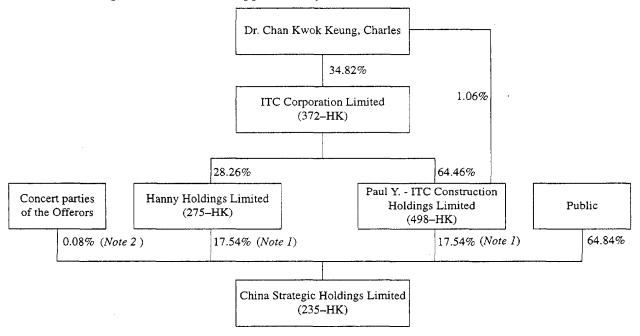
The financial information of China Strategic extracted from the audited consolidated financial statements of China Strategic for the two financial years ended 31 December 2002 is as follows:

	2002 HK\$'000	2001 <i>HK\$</i> '000
Loss before taxation Taxation	(695,566) (18,041)	(1,001,147) (5,982)
Loss before minority interests Minority interests	(713,607) 236,500	(1,007,129) 408,399
Net loss from ordinary activities attributable to China Strategic Shareholders	(477,107)	(598,730)
Net tangible assets	1,728,935	2,167,946

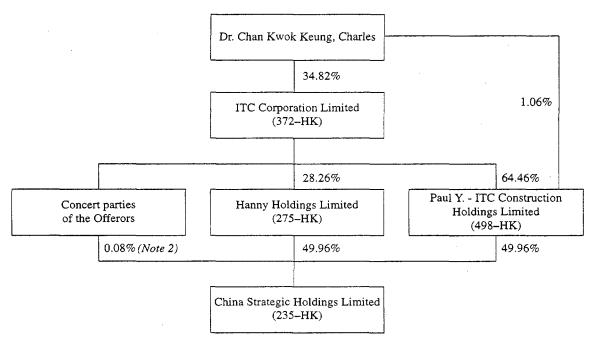
The Offers would result in Paul Y. - ITC having a decrease in cash and bank balances and an increase in investment. The extent of liabilities incurred will depend on the amount of external funding used to finance the Offers. Before the Offers, since Paul Y. - ITC holds less than 20% interest in China Strategic, it does not account for China Strategic as an associated company in its financial statements. After the successful completion of the Offers, Paul Y. - ITC will be able to recognise China Strategic as an associated company of Paul Y. - ITC. As a result, income statement of Paul Y. - ITC will reflect the financial performance of China Strategic through sharing the earning or loss of China Strategic.

The following charts summarise the shareholding structure of China Strategic immediately before the publication of the Supplementary Announcement and after full acceptance of the Offers:

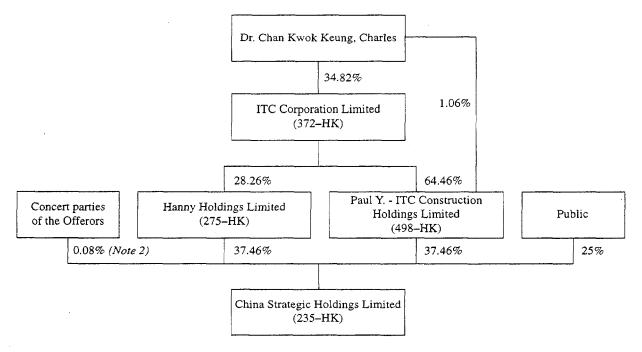
Before the publication of the Supplementary Announcement



After full acceptance of the Offers but before the Offerors place down their interests in China Strategic:



After full acceptance of the Offers and the Offerors place down their interests in China Strategic:



Notes:

- 1. As at the Latest Practicable Date, 64.46% and 1.06% of issued share capital of Paul Y. ITC are indirectly held by ITC Corporation and directly held by Dr. Chan Kwok Keung, Charles respectively. 400 shares of Paul Y. ITC, representing 0.00004% of issued share capital of Paul Y. ITC, are held by Mr. Cheung Hon Kit, a director of ITC Corporation, Hanny and Paul Y. ITC, and 6,445 shares of Paul Y. ITC, representing 0.0006% of issued share capital of Paul Y. ITC, are held by Mr. Law Man Wah, Conrad, a director of Paul Y. ITC. Save for the above, the remaining 34.48% of issued share capital of Paul Y. ITC are held by public investors.
- As at the Latest Practicable Date, the Offerors and their concert parties (Ms. Ma Wai Man, Catherine, an independent non-executive director of Hanny and Ms. Lee Li, the spouse of a director of Hanny's subsidiary) are interested in 290,985,000 and 690,000 China Strategic Shares (650,000 China Strategic Shares and 40,000 China Strategic Shares were owned by Ms. Ma Wai Man, Catherine and Ms. Lee Li respectively) respectively, representing 35.08% and 0.08% of the issued share capital of China Strategic respectively. The remaining 64.84% of issued share capital of China Strategic are held by public investors, in which 11.62% of the issued share capital of China Strategic are held by Mr. Oei Hong Leong, ex-chairman and ex-director of China Strategic.

THE CONDITION OF THE OFFERS

The Offers is conditional upon the Offerors having received acceptances in respect of voting rights attached to China Strategic Shares which, together with any voting rights acquired or agreed to be acquired before or during the Offers, will result in the Offerors and any parties acting in concert with them in aggregate holding more than 50% of the voting rights attaching to the China Strategic Shares.

It should be noted that the Offerors are subject to the aforesaid condition and the possible discloseable transaction in relation to the Offers may or may not proceed. Investors are advised to exercise extreme caution in dealing in the securities of Paul Y. - ITC.

REASONS OF THE OFFERS

As the liquidity of the China Strategic Shares is low, the Offers give China Strategic Shareholders and China Strategic Warrantholders an opportunity to realise their investments in China Strategic. In

addition, the average daily trading volume for China Strategic Shares was very thin during the six months before the publication of the Announcement. If any China Strategic Shareholders want to dispose their investments in China Strategic at the open market, it is very likely to significantly depress the China Strategic Share price.

To the extent that the Offerors are successful in acquiring China Strategic Shares either through market purchases or through acceptances to the Share Offer, the Offerors will be able to enhance their investment in China Strategic by improving their share of the net assets of China Strategic and reduce their average investment cost in China Strategic.

China Strategic is an investment holding company and the subsidiaries of which are principally engaged in the business of tire manufacturing, manufacturing, retailing and distribution of Chinese medicine, western pharmaceuticals and health food and investment in infrastructure projects. The Offerors consider that the Offers could strengthen their ties with China Strategic and enhance their profile in the PRC. Having considered the economy in the PRC has maintained good impetus and the consumption power of Chinese people has steadily improved throughout this decade, the Offerors expect that the investments and businesses of China Strategic in the PRC will contribute long-term financial benefit to the Offerors. At present, since Hanny and Paul Y. - ITC each holds less than 20% interest in China Strategic, neither of them accounts for China Strategic as an associated company in their respective financial statements. After the successful completion of the Offers, the Offerors will be able to recognise China Strategic as an associated company which will enhance the long term investment value of Hanny and Paul Y. - ITC group.

INTENTION OF THE OFFERORS REGARDING CHINA STRATEGIC

The Offers will not of itself result in any change in the board of directors, management, business or the continued employment of the employees, including directors, of China Strategic Group or any of its associated companies under the control of China Strategic.

Following the close of the Offers, the Offerors intend to continue the existing business of China Strategic Group and currently the Offerors have no intention to re-deploy fixed assets of China Strategic Group. Further, the Offerors have no intention to inject any assets or businesses into and/or dispose of any assets or businesses from China Strategic Group immediately after completion of the Offers.

The China Strategic Shares and the China Strategic Warrants to be acquired by Kingsway SW Securities, on behalf of the Offerors, during the offer period will be distributed to the Offerors in equal proportion. To ensure that not less than 25% of the China Strategic Shares and China Strategic Warrants will be held by the public after the Offers, the Offerors will place down their interests in China Strategic as soon as possible. China Strategic will become an associated company of Hanny and Paul Y. - ITC after the Offers and the placing.

Under Rule 2.4 of the Takeovers Code, a competent independent advice as to whether the making of the offer is in the interests of the offeror's shareholders is required if the directors of the offeror are faced with a conflict of interest. Such advice must also be obtained before announcing an offer. However, in this case, Rule 2.4 of the Takeovers Code is inapplicable as stated in note 3 of the Rule 2.4 of the Takeovers Code, as the conflict of interest arises mainly due to the existence of common directors among the boards of the Offerors and China Strategic.

FINANCIAL RESOURCES FOR THE OFFERS

Kingsway Capital has been appointed by the Offerors to advise them in connection with the Offers and Kingsway Capital is satisfied that sufficient financial resources are available to the Offerors, from a loan facility of HK\$60 million granted to the Offerors by Kingsway SW Securities and the remaining HK\$14.9 million will be financed by internal resources of the Offerors, to enable the Offerors to satisfy full acceptance of the Offers. Pursuant to the loan and mortgage agreements between the Offerors and Kingsway SW Securities, the Offerors agreed to pledge their 290,985,000 China Strategic Shares beneficially owned by the Offerors and any China Strategic Shares to be acquired by the Offerors under the Share Offer or otherwise during the offer period to Kingsway SW Securities to secure the loan facility granted to the Offerors by Kingsway SW Securities.

MAINTAINING THE LISTING STATUS OF CHINA STRATEGIC

The Offerors will not exercise the power of compulsory acquisition. It is the intention of the Offerors to maintain the listing of China Strategic on the Stock Exchange after the close of the Offers. The Offerors and China Strategic have undertaken to the Stock Exchange that appropriate steps following the close of the Offers will be taken as soon as possible to ensure that not less than 25% of the China Strategic Shares and China Strategic Warrants will be held by the public. When the Offers close, should there be less than 25% of China Strategic Shares and China Strategic Warrants in public hands, the directors of the Offerors presently intend to take appropriate steps which may include, placing down their interests in China Strategic to Independent Third Parties within one month after closing of the Offers.

The Stock Exchange has stated that it will closely monitor the trading in the China Strategic Shares and China Strategic Warrants on the Stock Exchange. If the Stock Exchange believes that:

- a false market exists or may exist in the China Strategic Shares and China Strategic Warrants; or
- there are too few China Strategic Shares and China Strategic Warrants in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in China Strategic Shares and China Strategic Warrants.

In this connection, it should be noted that upon completion of the Offers, there may be an insufficient public float for the China Strategic Shares and China Strategic Warrants and, therefore, trading in the China Strategic Shares and China Strategic Warrants may be suspended until a sufficient level of public float is attained.

If China Strategic remains a listed company, the Stock Exchange will closely monitor all future acquisitions or disposals of assets by China Strategic. Any acquisitions or disposals of assets by China Strategic and its subsidiaries will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has discretion to require China Strategic to issue a circular and an announcement to China Strategic Shareholders irrespective of the size of the proposed acquisitions and disposals of assets by China Strategic, particularly where such proposed acquisitions and disposals of assets by China Strategic represent a departure from the principal activities of China Strategic. The Stock Exchange has the power pursuant to the Listing Rules to aggregate a series of acquisitions and disposals of assets by China Strategic and any such acquisitions and disposals of assets may result in China Strategic being treated as if it were a new listing applicant and subject to the requirements for new listing application as set out in the Listing Rules.

GENERAL INFORMATION

Offer Document

An Offer Document setting out, amongst others, the details and the terms of the Offers, together with the forms of acceptance and transfer will be despatched by the Offerors to all China Strategic Shareholders, China Strategic Warrantholders and China Strategic Options holder on 29 July 2003.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix of this circular.

Your faithfully,
For and on behalf of the Board
Dr. Chan Kwok Keung, Charles
Chairman

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group, ITC Corporation group, Hanny group and China Strategic group.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The information in this circular relating to ITC Corporation, Hanny and China Strategic, and their respective subsidiaries has been extracted or summarized from information provided by ITC Corporation, Hanny and China Strategic, at the request of the Company or from publicly available information. The Directors have made all reasonable enquiries and collectively and individually accept responsibility for the accuracy of extracts or summaries of such information.

DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

(i) Aggregate long and short positions in shares and (in respect of equity derivatives) underlying shares of the Company

Name of Director	Long position	Nature of interest	No. of shares of the Company held	No. of underlying shares in respect of the warrants (listed equity derivative) of the Company ("2003 Warrants") held	Approximate % of the issued share capital of the Company
Chan Kwok Keung, Charles	Long position	Corporate interest (Note)	685,220,227		64.46%
	Long position	Personal interest	11,318,000	_	1.06%
	Long position	Corporate interest (Note)	-	115,085,927	10.83%
Cheung Hon Kit	Long position	Personal interest	400		0.00004%
	Long position	Personal interest		80	0.000008%
Law Man Wah,	Long position	Personal interest	6,445		0.0006%
Conrad	Long position	Personal interest		1,289	0.0001%

Note: Dr. Chan Kwok Keung, Charles was deemed to be interested in 685,220,227 shares in the Company and underlying shares in respect of 2003 Warrants for 115,085,927 shares in the Company by virtue of his shareholding in Chinaview International Limited ("Chinaview"). Galaxyway Investments Limited ("Galaxyway"), a wholly-owned subsidiary of Chinaview, owned more than one-third of the issued ordinary share capital of ITC Corporation which in turn owned the entire issued share capital of ITC Investment Holdings Limited ("ITC Investment"). Hollyfield Group Limited ("Hollyfield"), a wholly-owned subsidiary of ITC Investment, owned these shares and 2003 Warrants. Out of the aforesaid 685,220,227 shares in the Company, 685,202,227 shares in the Company were pledged.

Dr. Chan Kwok Keung, Charles has concert party interest in 550,065,329 shares in the Company out of the aforesaid 685,220,227 shares in the Company pursuant to a loan agreement dated 28th October, 2002 between ITC Corporation as the borrower and Dr. Chan Kwok Keung, Charles as lender ("Concert Party Agreement").

(ii) Aggregate long and short positions in shares and (in respect of equity derivatives) underlying shares and debentures of ITC Corporation

Name of Director	Long position /short position	Nature of interest	No. of ordinary shares of ITC Corporation held	No. of underlying shares in respect of the convertible notes (unlisted equity derivative) of ITC Corporation held	Approximate % of the issued ordinary share capital of ITC Corporation
Chan Kwok Keung, Charles	Long position	Corporate interest (Note a)	219,681,911	_	34.82%
	Long position	Personal interest	_	833,333,333 (Note b)	132.07%

Notes:

- a. Galaxyway was a wholly-owned subsidiary of Chinaview which was, in turn, wholly owned by Dr. Chan Kwok Keung, Charles. Dr. Chan Kwok Keung, Charles was deemed to be interested in 219,681,911 ordinary shares in ITC Corporation held by Galaxyway.
- b. Dr. Chan Kwok Keung, Charles owned convertible notes issued by ITC Corporation in the principal amount of HK\$250,000,000 carrying rights to convert into 833,333,333 ordinary shares of ITC Corporation at an initial conversion price of HK\$0.30 per share, subject to adjustment. Out of the aforesaid convertible notes of HK\$250,000,000, HK\$120,000,000 convertible notes (representing 400,000,000 underlying shares) were pledged.

ITC Corporation is an associated corporation, within the meaning of Part XV of the SFO, of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

(b) Interests of shareholders discloseable pursuant to the SFO

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following party had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Aggregate long and short positions in shares and (in respect of equity derivatives) underlying shares of the Company

Name	Note	Long position/	Nature of interest	No. of shares of the Company held	No. of underlying shares in respect of the 2003 Warrants (listed equity derivatives) held	Approximate % of the issued share capital of the Company
Chan Kwok Keung, Charles	1 -	Long position	Corporate interest Personal interest	685,220,227 11,318,000	-	64.46% 1.06%
•	1	Long position	Corporate interest	_	115,085,927	10.83%
Ng Yuen Lan, Macy	1 1	Long position Long position	Family interest Family interest	696,538,227	115,085,927	65.52% 10.83%
Chinaview	1 1	Long position Long position	Corporate interest Corporate interest	685,220,227 —	115,085,927	64.46% 10.83%
Galaxyway	1 1	Long position Long position	Corporate interest Corporate interest	685,220,227 —	115,085,927	64.46% 10.83%
ITC Corporation	1 1	Long position Long position	Corporate interest Corporate interest	685,220,227 —	115,085,927	64.46% 10.83%
ITC Investment	1 1	Long position Long position	Corporate interest	685,220,227	— 115,085,927	64.46% 10.83%
Hollyfield	1 1	Long position Long position	Personal interest Personal interest	685,220,227 —	115,085,927	64.46% 10.83%
Tai Fook Securities Group Limited	2	Long position	Corporate interest	685,202,227	_	64.46%
Tai Fook (BVI) Limited	2	Long position	Corporate interest	685,202,227	_	64.46%
Tai Fook Finance Company Limited	2	Long position	Security interest	685,202,227	_	64.46%

Notes:

^{1.} Dr. Chan Kwok Keung, Charles was deemed to be interested in 685,220,227 shares in the Company and 2003 Warrants for 115,085,927 shares in the Company by virtue of his shareholding in Chinaview. Galaxyway, a wholly-owned subsidiary of Chinaview, owned more than one-third of the issued ordinary share capital of ITC Corporation which in turn owned the entire issued share capital of ITC Investment. Hollyfield, a wholly-owned subsidiary of ITC Investment, owned these shares and 2003 Warrants. Out of the aforesaid 685,220,227 shares in the Company, 685,202,227 shares in the Company were pledged. Ms. Ng Yuen Lan, Macy, the spouse of Dr. Chan Kwok Keung, Charles, was deemed to be interested in the said shares and 2003 Warrants and 11,318,000 shares in the Company held directly by Dr. Chan Kwok Keung, Charles.

Dr. Chan Kwok Keung, Charles, Ms Ng Yuen Lan, Macy, Chinaview, Galaxyway, ITC Corporation, ITC Investment and Hollyfield were substantial shareholders of the Company.

Dr. Chan Kwok Keung, Charles has concert party interest in 550,065,329 shares in the Company out of the aforesaid 685,220,227 shares in the Company pursuant to the Concert Party Agreement. Also, ITC Corporation has concert party interest in 561,383,329 shares in the Company out of the aggregate of the aforesaid 685,220,227 shares in the Company and 11,318,000 shares in the Company held directly by Dr. Chan Kwok Keung, Charles pursuant to the Concert Party Agreement.

Tai Fook Security Group Limited was deemed to be interested in 685,202,227 shares in the Company as security interest
by virtue of its shareholding in Tai Fook (BVI) Limited which in turn owned the entire issued share capital of Tai Fook
Finance Company Limited.

(c) Substantial shareholding in other members of the Group

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following party, other than a Director or chief executive of the Company, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group:

Name of subsidiary	Name of shareholder	% of issued share capital
Hamker Concrete Products Limited	Lau Kwok Cheung	30.0%
D & C Engineering (H.K.) Limited	Artery Construction Management Limited	45.0%
Paul Y. Seli Limited	Societa Esecuzione Lavori Idraulici S.p.A.	49.0%
Paul Y. — CREC Engineering Co., Limited	China Railway Engineering Corporation	30.0%

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

SERVICE CONTRACTS

None of the Directors has entered into any service contracts with any member of the Group which is not terminable by the Group within one year without any payment of compensation, other than statutory compensation.

LITIGATION

No member of the Group is at present engaged in any litigation or claim of material importance to the Group and no litigation or claim of material importance to the Group is known to the Directors to be pending or threatened against any member of the Group.

GENERAL

- a. The secretary of the Company is Ms. Mui Ching Hung, Joanna, A.C.S., A.C.I.S.
- b. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- c. The branch share registrar and transfer office of the Company is Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- d. The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

此乃要件請即處理

閣下如對本通函各方面有任何疑問,應諮詢股票經紀或其他註冊證券交易商、銀行經理、律師、 專業會計師或其他專業顧問。

閣下如已售出或轉讓所有名下保華德祥建築集團有限公司證券,應立即將本通函送交買主或承讓 人或經手買賣或轉讓之銀行經理、股票經紀或其他代理商,以便轉交買主或承讓人。

香港聯合交易所有限公司對本通函之內容概不負責,對其準確性或完整性亦不發表任何聲明,並明確表示概不就因本通函全部或任何部份內容或因依賴該等內容而引致之任何損失承擔任何責任。



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保華德祥建築集團有限公司)

(於百慕達註冊成立之有限公司)

有關強制性有條件現金收購建議之可能須予披露交易

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釋義

於本通函內,除文義另有所指	外,以下詞語具有下列涵義:
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「公佈」	指	德祥企業、錦興、保華德祥及中策於二零零三年七 月八日就該等收購建議聯合發表之公佈
「中策」	指	中策集團有限公司,於香港註冊成立之有限公司, 其證券於聯交所上市
「中策集團」	指	中策及其附屬公司
「中策購股權」	指	中策根據於一九九二年七月二十日採納之購股權計 劃所授出之購股權
「中策股份」	指	中策股本中每股面值0.10港元之股份
「中策股東」	指	中策股份之持有人
「中策認股權證」	指	中策之認股權證,附帶權利可由二零零二年八月二十九日起至二零零三年十二月三十一日止(包括該日),隨時以認購價每股中策股份0.16港元,認購165,893,682股中策股份
「中策認股權證 持有人」	指	中策認股權證之持有人
「董事」	指	保華德祥之董事,包括獨立非執行董事
「執行理事」 .	指	證監會企業融資部之執行理事或執行理事所指派之任何人士
「錦興」	指	錦興集團有限公司,於百慕達註冊成立之有限公司,其股份於聯交所上市
「香港」	指	中華人民共和國香港特別行政區
「獨立董事委員會」	指	由中策董事會正式委任之獨立董事委員會,就該等 收購建議提供意見
「獨立第三者」	指	與德祥企業、錦興、保華德祥及中策或其任何附屬公司之董事、主要行政人員或主要股東或彼等之任何聯繫人(定義見上市規則)概無關連,以及並非彼等之一致行動人士
「德祥企業」	指	德祥企業集團有限公司,於百慕達註冊成立之有限 公司,其股份於聯交所上市
「滙富融資」	指	滙富融資有限公司,滙富証券之同集團附屬公司, 為持牌法團,並為錦興及保華德祥就該等收購建議 之財務顧問
「滙富証券」	指	滙富証券有限公司,滙富融資之同集團附屬公司, 為持牌法團

「最後實際可行日期」	指	二零零三年七月二十四日,即本通函付印前為確認 本通函所載若干資料之最後實際可行日期
「持牌法團」	指	屬於證券及期貨條例「持牌法團」所界定之人士
「上市規則」	指	聯交所證券上市規則
「該等收購建議」	指	滙富証券代表收購人提出之強制性有條件現金收購 建議,以收購所有已發行中策股份及尚未行使中策 認股權證(收購人及彼等之一致行動人士現時擁有 之中策股份及中策認股權證除外),及註銷所有尚 未行使中策購股權
「收購建議文件」	指	將根據收購守則寄發予全體中策股東、中策認股權 證持有人及中策購股權持有人之收購建議文件,載 有(其中包括)該等收購建議之詳情及條款,連同接 納及過戶表格
「收購人」	指	Calisan Developments Limited及威倫有限公司,分別為保華德祥及錦興之間接全資附屬公司
「一致行動人士」	指	具有收購守則所賦予之相同定義
「保華德祥」或 「本公司」	指	保華德祥建築集團有限公司,於百慕達註冊成立之 有限公司,其證券於聯交所上市
「保華德祥集團」 或「本集團」	指	保華德祥及其附屬公司 .
「中國」	指	中華人民共和國,就本通函而言,不包括香港及中 華人民共和國澳門特別行政區
「證監會」	指	證券及期貨事務監察委員會
「證券及期貨條例」	指	香港法例第571章證券及期貨條例
「股份收購建議」	指	根據收購建議文件之條款及在其條件規限下,滙富証券代表收購人提出之強制性有條件現金收購建議,按每股中策股份0.139港元收購所有已發行中策股份(收購人及與其一致行動人士擁有之已發行中策股份除外)
「聯交所」	指	香港聯合交易所有限公司
「補充公佈」	指、	德祥企業、錦興、保華德祥及中策於二零零三年七 月二十一日就該等收購建議聯合發表之補充公佈

釋義

「收購守則」 指 香港公司收購及合併守則

「認股權證收購建議」 指 根據收購建議文件之條款及在其條件規限下,滙富

証券代表收購人提出之強制性有條件現金收購建議,按每份中策認股權證0.001港元收購所有尚未行使中策認股權證(收購人及與其一致行動人士擁有

之尚未行使中策認股權證除外)

「港元」 指 港元

指 百分比



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保華德祥建築集團有限公司)

(於百慕達註冊成立之有限公司)

董事:

陳國強(主席)

劉高原(副主席)

陳佛恩(董事總經理)

黄永灝(副董事總經理)

周美華

張漢傑

羅文華

李漢潮

張定球*

郭少強*

註冊辦事處:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

香港之主要營業地點:

香港

九龍

觀塘

鴻圖道51號

保華企業中心31樓

* 獨立非執行董事

敬啟者:

可能須予披露交易有關滙富証券代表收購人提出強制性有條件現金收購建議收購全部已發行中策股份及收購全部已發行中策股份及尚未行使之中策認股權證(收購人及與其一致行動人士現時擁有之中策股份及中策認股權證除外)以及註銷所有尚未行使之中策購股權

緒言

於二零零三年七月八日,德祥企業、錦興、保華德祥及中策各自之董事會聯合宣佈,收購人透過滙富証券將提出自願有條件現金收購建議,作價分別為每股中策股份0.10港元及每份中策認股權證0.001港元(收購人及與收購人一致行動人士現時擁有之中策股份及中策認股權證除外),以及按每份中策購股權0.001港元註銷所有尚未行使之中策購股權。收購人亦已知會中策,滙富証券將代表收購人於需要時在市場上收購其他中策股份,以增加收購人於中策之總股權至超過中策已發行股本之50%。

於二零零三年七月九日,滙富証券(代表收購人)按每股中策股份0.10港元之價格,於公開市場上收購49,665,000股中策股份,相當於中策已發行股本之5.98%。於二零零三年七月九日購買股份後,收購人及彼等之一致行動人士擁有291,675,000股中策股份之權益,相當於中策已發行股本約35.16%,故根據收購守則第26條之規定,導致於自願收購建議之收購建議期間觸發強制性收購建議。

於二零零三年七月二十一日,收購人已知會中策,為使股份收購建議之收購價對中策股東而言更具吸引力,股份收購建議之收購價已由每股中策股份0.10港元增至0.139港元,增幅為39%。

滙富証券(代表收購人)於收購建議期間內收購之中策股份及中策認股權證,將以相等比例分派予收購人。

收購人亦已通知中策,於收購建議期間結束前,滙富証券(代表收購人)將會於市場上按不高於每股中策股份0.139港元之價格收購其他中策股份。

作為其中一名收購人,即Calisan Developments Limited為保華德祥之一間間接全資附屬公司,故該等收購建議可能構成保華德祥之可能須予披露交易。本通函旨在為 閣下提供有關該等收購建議之其他資料。

該等收購建議之條款

該等收購建議將須遵從收購守則進行,而收購守則乃由執行理事監管。滙富証券 (代表收購人) 將提出該等收購建議,收購所有已發行中策股份及尚未行使中策認股權證(收購人及與收購人一致行動人士現時擁有之中策股份及中策認股權證除外), 以及註銷所有尚未行使中策購股權,基準如下: - 1916年では、1917年では、1918年の1918年の1918年の1918年の1918年の1918年の1918年の1918年の1918年の1918年の1918年の1918年の1918年の1918年の1918年の19

	每股中策股	:份					現金0.139	港元
	每份中策認	股權證.					現金0.001	港元
	註銷每份中	策購股權	韭				現金0.001	港元
及拉	安照載於收購	靖建議文 伯	牛內之條款。	根據股份	收購建議將	予收購之中	7策股份,	將連
同戶	f有未來股息	見及分派 。	之權利一併收	(購。				

根據該等收購建議將予收購之中策股份及中策認股權證於收購時,將不附帶所有產權負擔及任何第三者權利。

根據該等收購建議,就接納股份收購建議及/或認股權證收購建議之賣方從價印花税,為代價每1,000港元或不足1,000港元支付1.00港元,而接納收購建議之中策股東及/或中策認股權證持有人將須承擔有關費用,該筆款項將從接納股份收購建議及/或認股權證收購建議應付之代價中扣除,並將由收購人支付。

股份收購建議應付之經修訂收購價為每股中策股份0.139港元,較:

- 一 於二零零三年七月十日(即中策股份於發表補充公佈前在聯交所買賣之最後 一個交易日)在聯交所所報之收市價每股中策股份0.145港元折讓約4.14%;
- 直至二零零三年七月十日(包括該日)為止連續十個交易日在聯交所所報之平均收市價每股中策股份0.0985港元溢價約41.12%;

- 直至二零零三年七月十日(包括該日)為止連續三十個交易日在聯交所所報之 平均收市價每股中策股份0.0897港元溢價約54.96%;及
- 直至二零零三年七月十日(包括該日)為止六個月期間在聯交所所報之平均收 市價每股中策股份0.0901港元溢價約54.27%。

股份收購建議應付之每股中策股份代價,較按照中策於二零零二年十二月三十一日之經審核賬目計算之每股中策股份資產淨值2.08港元折讓93.32%。

鑑於刊發公佈前六個月中策股份之平均每日成交量非常稀疏,倘任何中策股東欲在公開市場出售其於中策之投資,這樣很可能令中策股份之價格大受壓力而下調。 於補充公佈日期前六個月期間,中策股份在聯交所買賣之最高及最低收市價分別為 每股中策股份0.15港元及0.08港元。

中策認股權證現時為價外,及將於二零零三年十二月三十一日後屆滿。因此,以 0.001港元提出收購每份中策認股權證。每份中策認股權證之作價0.001港元較:

- 一 於二零零三年七月十日(即中策認股權證於刊發補充公佈前在聯交所買賣之最後一個交易日)在聯交所所報之收市價每份中策認股權證0.02港元折讓約95.00%;及
- 一 於截至二零零三年七月十日(包括該日)為止連續十個交易日在聯交所所報之平均收市價每份中策認股權證0.012港元折讓約91.67%。

中策已向中策執行董事陳玲女士發行中策購股權,根據購股權計劃可以認購價每股中策股份3.145港元認購最多達75,000股中策股份。中策購股權現時為價外。此外,每股中策股份之價格大幅低於中策購股權之行使價,及該等中策購股權為不可出讓及不可轉讓。經計及上述因素後,根據收購守則,滙富証券代表收購人向該名中策購股權持有人提出收購建議,建議其交出中策購股權,藉此以0.001港元註銷每份尚未行使之中策購股權。陳玲女士(中策購股權之持有人)已向收購人承諾,其將於該等收購建議公開供接納期間不會行使中策購股權。

假設全面接納該等收購建議,以收購價每股中策股份0.139港元、每份中策認股權證0.001港元及每份中策購股權0.001港元計,收購人應支付之現金代價,將約為74,900,000港元,其中約74,800,000港元、117,630港元及75港元將分別用作收購中策股份、中策認股權證及中策購股權。

有關德祥企業、錦興及本公司之資料

於最後實際可行日期,收購人及與彼等一致行動人士合共擁有291,675,000股中策股份,佔中策現有已發行股本約35.16%之權益總額。於最後實際可行日期,中策亦有尚未行使中策認股權證,附帶可認購165,893,682股中策股份之權利,認購價為每股

中策股份0.16港元。於全面兑换所有中策認股權證後,將會發行165,893,682股新中策股份,相當於現有已發行中策股份總額約20.0%及經發行該等新中策股份擴大後之已發行中策股份總額約16.67%。

收購人各自持有24,132,000份中策認股權證,相當於尚未行使中策認股權證約14.55%。於收購人全面兑換所有中策認股權證後,將會發行48,264,000股新中策股份,相當於現有已發行中策股份總額約5.82%及經發行該等新中策股份擴大後之已發行中策股份總額約5.50%。

有關德祥企業之資料

德祥企業為一家投資控股公司,並直接及間接在多家上市公司持有策略性投資,除保華德祥及中策外,亦於錦興、Burcon NutraScience Corporation、東方魅力集團有限公司、流動廣告有限公司、Downer EDI Limited、辰達永安旅遊(控股)有限公司、珀麗酒店集團有限公司、China Enterprises Limited及MRI Holdings Limited中擁有權益。除透過保華德祥經營之該等業務外,德祥企業集團之主要業務包括投資及物業持有、提供融資,以及買賣建築材料和機器。

有關Calisan Developments Limited及保華德祥之資料

Calisan Developments Limited為其中一名收購人,為於一九九一年五月二日在英屬處女群島註冊成立之有限公司,及為一家投資控股公司,於最後實際可行日期直接持有145,492,500股中策股份(佔中策已發行股本約17.54%)及24,132,000份中策認股權證(佔全部尚未行使中策認股權證約14.55%)。根據每股中策股份認購價為0.16港元,於Calisan Developments Limited全面兑換中策認股權證時,將須發行24,132,000股新中策股份,相當於現有已發行中策股份總數約2.91%,及相當於經發行該等新中策股份擴大後之已發行中策股份總數約2.83%。Calisan Developments Limited為保華德祥之間接全資附屬公司。

保華德祥集團之主要業務包括樓宇建築、土木工程、專項工程、物業發展及投資,以及製造及買賣建築材料。其業務主要集中於香港和中國。德祥企業實益擁有保華德祥約64.46%權益。

有關威倫有限公司及錦興之資料

威倫有限公司為其中一名收購人,為於二零零零年八月二十一日在香港註冊成立之有限公司,及為一家投資控股公司。於最後實際可行日期,威倫有限公司及其一致行動人士分別直接持有145,492,500股及690,000股中策股份(佔中策已發行股本約17.54%及0.08%)。此外,威倫有限公司直接持有24,132,000份中策認股權證(佔全部尚未行使中策認股權證約14.55%)。根據每股中策股份認購價為0.16港元,於威倫有限公司全面兑換中策認股權證時,將須發行24,132,000股新中策股份,相當於現有已發行中策股份總數約2.91%,及相當於經發行該等新中策股份擴大後之已發行中策股份總數約2.83%。威倫有限公司為錦興之間接全資附屬公司。

錦興集團之主要業務包括買賣電腦相關產品及消費電子產品。錦興亦從事買賣證券及投資資訊科技業務。德祥企業實益擁有錦興約28.26%權益。

有關中策之資料

中策為一家投資控股公司,其附屬公司主要從事輪胎製造、製造、零售及分銷中西藥及保健食品,以及投資基建項目業務。

於最後實際可行日期,陳國強博士間接持有德祥企業已發行普通股股本約 34.82%,彼亦直接持有保華德祥已發行股本約1.06%。

鑑於陳國強博士為德祥企業之控股股東,於最後實際可行日期,根據證券及期貨條例第十五部,彼被視為於由保華德祥集團持有之145,492,500股中策股份及24,132,000份中策認股權證中擁有權益。

此外,錦興之獨立非執行董事馬慧敏女士及錦興之附屬公司之一名董事之配偶李 礫女士分別持有650,000股中策股份(佔中策已發行股本約0.08%)及40,000股中策股份 (佔中策已發行股本約0.005%)。

除上文所披露者外,陳國強博士及德祥企業、錦興及保華德祥之其他董事及彼等各自之一致行動人士並無持有任何中策股份、中策認股權證及/或中策購股權。除透過錦興及保華德祥於中策持有之權益外,德祥企業並無於中策持有任何直接及/或間接權益。

於最後實際可行日期,收購人及與彼等一致行動人士持有中策已發行股本約35.16%。假設該等收購建議完成時獲全面接納及於收購人減持於中策之權益以維持公眾持有中策股份不少於25%前,收購人及與彼等一致行動人士將持有中策已發行股本100%。

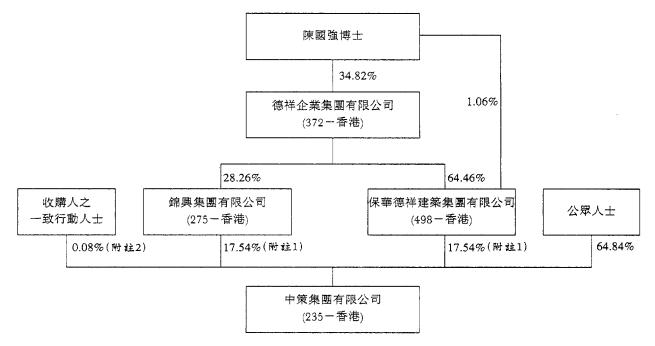
以下為摘錄自中策截至二零零二年十二月三十一日止兩個財政年度之經審核綜合 財務報表之中策財務資料:

	二零零二年	二零零一年
	千港元	千港元
除税前虧損	(695,566)	(1,001,147)
税項	(18,041)	(5,982)
未計少數股東權益之虧損	(713,607)	(1,007,129)
少數股東權益	236,500	408,399
中策股東應佔日常業務虧損淨額	(477,107)	(598,730)
有形資產淨值	1,728,935	2,167,946

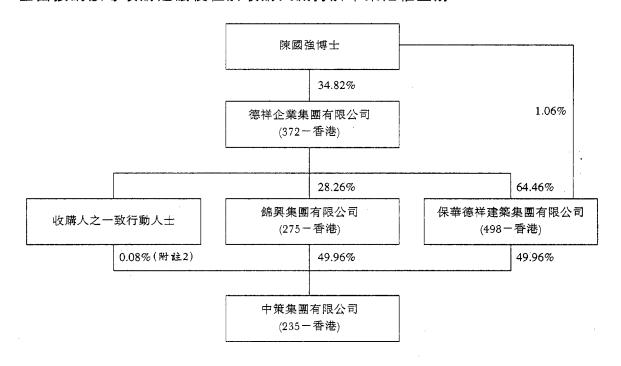
該等收購建議將導致保華德祥之現金及銀行結餘減少,而投資金額則增加。所產生之負債數額將視該等收購建議所動用之外借資金數額而定。於該等收購建議之前,由於保華德祥持有少於20%之中策股權,故保華德祥並無於其財務報表中將中策列為聯營公司。於成功完成該等收購建議後,保華德祥將能夠確認中策為保華德祥之聯營公司。因此,保華德祥之收益表將會透過應佔中策之盈利或虧損之方式反映中策之財務表現。

下圖概列緊接刊登補充公佈前及於全面接納該等收購建議後,中策之股權架構圖:

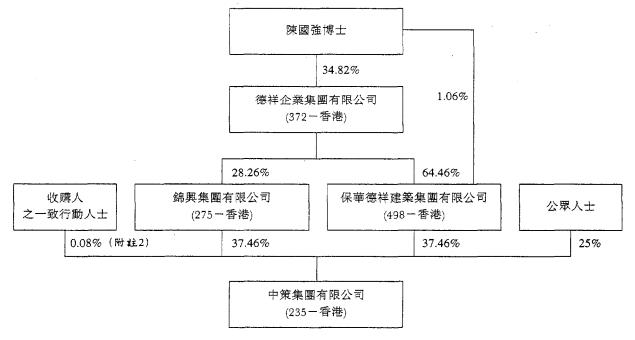
於刊登補充公佈前



全面接納該等收購建議後但於收購人減持於中策之權益前:



於全面接納該等收購建議及收購人減持於中策之權益後:



附註:

- 1. 於最後實際可行日期,德祥企業及陳國強博士分別間接及直接持有保華德祥之已發行股本64.46%及1.06%。德祥企業、錦興及保華德祥之董事張漢傑先生持有保華德祥400股股份(佔保華德祥已發行股本0.00004%),及保華德祥董事羅文華先生持有保華德祥6,445股股份(佔保華德祥已發行股本0.0006%)。除上文所述者外,保華德祥已發行股本餘下之34.48%由公眾投資者持有。
- 2. 於最後實際可行日期,收購人及彼等之一致行動人士(錦興之獨立非執行董事馬譽敏女士及錦興之附屬公司之一名董事之配偶李礫女士)分別擁有290,985,000股及690,000股中策股份(馬譽敏女士及李礫女士分別擁有650,000股中策股份及40,000股中策股份)之權益,分別相當於中策已發行股本約35.08%及0.08%。中策已發行股本餘下之64.84%由公眾投資者持有,其中11.62%之中策已發行股本由中策之前主席兼前董事黃鴻年先生持有。

該等收購建議之條件

該等收購建議須待收購人已接獲接納收購中策股份附帶之投票權,連同於該等收購建議前或於該等收購建議期間已收購或同意將予收購之任何投票權,將導致收購人及與其一致行動人士合共持有附帶投票權之中策股份超過50%後,方可作實。

務請注意,收購人須受上述條件所限制及有關該等收購建議之可能須予披露交易 不一定會進行。投資者於買賣保華德祥證券時務請加倍審慎行事。

進行該等收購建議之原因

由於中策股份流通量偏低,該等收購建議讓中策股東及中策認股權證持有人,有機會變現於中策之投資。此外,於刊發公佈前六個月期間,中策股份之平均每日成

交量非常稀疏。倘任何中策股東欲在公開市場出售彼等於中策之投資,這樣很可能 令中策股份之價格大受壓力而下調。

倘收購人透過在市場購買或透過接納股份收購建議而成功收購中策股份,收購人 將可透過改善彼等應佔中策資產淨值,提升彼等於中策之投資,以及減低彼等於中 策之平均投資成本。

中策為一家投資控股公司,其附屬公司主要從事輪胎製造、製造、零售及分銷中西藥及保健食品,以及投資基建項目業務。收購人認為該等收購建議可鞏固其與中策之聯繫,以及提升其在中國之形象。考慮到於近十年以來,中國經濟一直維持良好之推動力及中國人民之消費能力已逐步得到改善,收購人預期,中策於中國之投資及業務將會為收購人帶來長期財務利益。目前,由於錦興及保華德祥各自持有中策少於20%權益,故彼等概無於各自之財務報表中將中策列作聯營公司。於成功完成該等收購建議後,收購人將可確認中策為聯營公司,從而提升錦興及保華德祥集團之長期投資價值。

收購人對中策之意向

該等收購建議本身將不會導致中策集團或受中策控制之任何聯營公司之董事會、 管理層、業務或持續聘用中策僱員(包括董事)出現任何變動。

於該等收購建議完成後,收購人擬繼續中策之現有業務,收購人現時無意重新調配中策集團之固定資產。此外,收購人亦無意於緊隨該等收購建議完成後即時向中策集團注入任何資產或業務及/或出售任何中策集團資產或業務。

於收購建議期間將由滙富証券代表收購人收購之中策股份及中策認股權證,將以相等比例分派予收購人。為確保於該等收購建議後中策股份及中策認股權證不少於 25%將由公眾人士持有,收購人將盡快減持彼等於中策之權益。於該等收購建議及減 持後,中策將成為錦興及保華德祥之聯營公司。

根據收購守則第2.4條,倘收購入之董事面對利益衝突,將須就提出收購建議是 否符合收購人股東之利益取得充份獨立意見。該等意見必須於公佈收購建議前取得。 然而,在這情況下,如收購守則第2.4條附註3所載,若只是主要由於收購人及中策之 董事身兼兩方之董事而引致之利益衝突,則收購守則第2.4條並不適用。

該等收購建議之財務資源

滙富融資已獲收購人委任就該等收購建議給予意見,及滙富融資信納收購人可從滙富証券批予收購人之貸款融資額60,000,000港元,獲得充裕財務資源,而餘額14,900,000港元則將會以收購人之內部資源撥資,令收購人可支付全面接納該等收購建議。根據收購人與滙富証券訂立之貸款及抵押協議,收購人同意抵押收購人實益擁有之290,985,000股中策股份及收購人於收購建議期間內根據股份收購建議或其他方法將予收購之任何中策股份予滙富証券,作為滙富証券授予收購人之貸款融資之擔保。

維持中策之上市地位

收購人將不會行使強制收購權力。收購人現擬於該等收購建議完成後維持中策於聯交所之上市地位。收購人及中策已向聯交所承諾,於該等收購建議完成後將會盡快採取適當步驟,以確保公眾人士持有不少於25%中策股份及中策認股權證。倘該等收購建議完成時中策股份及中策認股權證少於25%由公眾人士持有,收購人之董事現擬於該等收購建議完成後一個月內採取適當步驟,可能包括配售予獨立第三者以減持彼等於中策之權益。

聯交所已表明,將會密切監察中策股份及中策認股權證在聯交所買**賣**之情況。倘 聯交所相信:

- 一 中策股份及中策認股權證存在或可能存在虛假市場;或
- 公眾人士持有之中策股份及中策認股權證數量太少,不足以維持有秩序之市場,則其將行使其決定權,暫停中策股份及中策認股權證之買賣。

就此而言,須注意倘於該等收購建議完成後,中策股份及中策認股權證之公眾持股量可能不足,因此,中策股份及中策認股權證可能暫停買賣,直至達到足夠之公眾持股量為止。

只要中策仍維持上市公司地位,聯交所將會密切監察中策日後所有收購或出售資產。中策及其附屬公司進行任何收購或出售資產,將須受上市規則之條文規限。根據上市規則,聯交所可決定要求中策就中策之建議收購及出售資產向中策股東刊發通函及發表公佈,不論建議收購或出售資產之規模大小,尤其是倘中策建議收購及出售資產,導致中策偏離其主要業務。聯交所有權根據上市規則,將中策之一系列收購及出售資產彙集處理,這樣可能導致中策被視為一名新上市申請人,並須受上市規則對新上市申請人之規定所限制。

一般資料

收購建議文件

一份載有(其中包括)該等收購建議之詳情及條款之收購建議文件,連同接納及過戶表格,將於二零零三年七月二十九日由收購人寄發予全體中策股東、中策認股權證持有人及中策購股權持有人。

其他資料

務請垂注載於本通函附錄之其他資料。

此致

列位本公司股東 台照及 列位本公司認股權證持有人 參照

> 代表董事會 主席 陳國強博士 謹啟

二零零三年七月二十九日

PROGRAMMENT SERVICE ENGINEER SERVICE FOR SERVICE SERVI

賣任聲明

本通函所載資料乃遵照上市規則提供有關本集團、德祥企業集團、錦興集團及中 策集團之資料。

董事願就本通函所載有關本集團之資料之準確性共同及個別承擔全部責任,並於作出一切合理查詢後,確認就彼等所深知及確信,並無遺漏任何事實,致令本通函內之任何聲明有所誤導。

本通函所載有關德祥企業、錦興及中策,及其附屬公司之資料乃摘錄或撮錄自德 祥企業、錦興及中策,應本公司之要求而提供之資料或已公佈之資料。董事在作出 一切合理查詢後願就有關資料之摘要或撮要之準確性共同及個別承擔責任。

權益披露

(a) 董事權益

於最後實際可行日期,本公司董事及主要行政人員於本公司或任何相聯法團(定義見證券及期貨條例十五部)之股份、相關股份及債券中持有根據證券及期貨條例第十五部第7與第8部分及上市公司董事進行證券及交易之標準守則必須向本公司及聯交所申報及必須列入根據證券及期貨條例第352條予以存置之登記冊內之權益及淡倉(包括根據證券及期貨條例之有關規定被認為或被視作擁有之權益及淡倉)如下:

(i) 本公司股份及(有關股本衍生工具)相關股份之好倉及淡倉總額

認股權證 (「二零零三年 認股權證」) (上市股本 佔本公司 好倉/ 所持本公司 衍生工具)之 已發行股本 董事姓名 淡倉 權益性質 股份數目 相關股份數目 概約百分比 陳國強博士 好倉 公司權益(附註) 685,220,227 64.46% 好倉 個人權益 1.06% 11,318,000 公司權益(附註) 好倉 115,085,927 10.83% 好倉 個人權益 張漢傑 0.00004% 400 好倉 個人權益 80 0.000008% 羅文華 好倉 個人權益 6,445 0.0006% 好倉 個人權益 1.289 0.0001%

所持有關本公司

附註:陳國強博士由於擁有Chinaview International Limited (「Chinaview」)之股權而被視作擁有685,220,227股本公司股份及可認購115,085,927股本公司股份之二零零三年認股權證相關股份之權益。Galaxyway Investments Limited (「Galaxyway」)為Chinaview之全資附屬公司,並擁有三份之一以上德祥企業已發行普通股本,而德祥企業繼而擁有ITC Investment Holdings Limited (「ITC Investment」)全部已發行股本。ITC Investment之全資附屬公司Hollyfield Group Limited (「Hollyfield」)則擁有該等股份及二零零三年認股權證。於上述之685,220,227股本公司股份中,685,202,227股本公司股份已抵押。

根據德祥企業(作為借款人)與陳國強博士(作為貸款人)於二零零二年十月二十八日訂立之貸款協議(「一致行動人士協議」),陳國強博士於上述之685,220,227股本公司股份中之其中550,065,329股本公司股份中擁有一致行動人士權益。

(ii) 德祥企業股份及(有關股本衍生工具)相關股份以及債券之好倉及淡倉總額

董事姓名	好倉 <i>/</i> 淡倉	權益性質	所持 德祥企業 普通股數目	所持有 德祥企業 可換股票據 (非上市股本 衍生工具)之 相關股份數目	佔德祥企業 已發行 普通股股本 概約百分比
A 7 / A	27.1	(E.M.) >		111 310 112 122 123 12	טע בל דון ניוו וופן
陳國強博士	好倉	公司權益(附註a)	219,681,911	_	34.82%
	好倉	個人權益	_	833,333,333 (附註b)	132.07%

附註:

- a. Galaxyway為Chinaview之全資附屬公司,而Chinaview則由陳國強博士全資擁有。陳國強博士被視為於Galaxyway所持有之219,681,911股德祥企業普通股中擁有權益。
- b. 陳國強博士擁有由德祥企業發行本金額為250,000,000港元之可換股票據,附有可按 初步換股價每股0.30港元(可予調整)轉換成833,333,333股德祥企業普通股之權利。 於上述250,000,000港元之可換股票據中,其中120,000,000港元之可換股票據(相當 於400,000,000股相關股份)已抵押。

德祥企業為本公司之聯營公司(定義見證券及期貨條例第十五部)。

除上文所披露者外,於最後實際可行日期,各董事或本公司主要行政人員概無根據證券及期貨條例第十五部第7及第8部分於本公司或其任何相聯法團(定義見證券及期貨條例第十五部)之股份、相關股份或債券中擁有(或根據證券及期貨條例之有關規定被認為或視作擁有)任何權益或淡倉,或任何必須列入本公司根據證券及期貨條例第352條予以存置之登記冊內的權益,或任何根據上市規則所載上市公司董事進行證券交易之標準守則必須向本公司及聯交所申報之權益。

(b) 根據證券及期貸條例須予披露之股東權益

於最後實際可行日期,據本公司董事及主要行政人員所知,下列人士於本公司股份或相關股份中擁有根據證券及期貨條例第十五部第2及第3部分之條文必須向本公司披露之權益或淡倉:

本公司股份及(有關股本衍生工具)相關股份之好倉及淡倉總額

姓名	附註	好倉 <i>/</i> 淡倉	權益性質	所持本公司 股份數目	所持有開 二零零三 認上市股 (上市股 行生工具) 股份數目	佔本公司 已發行股本 百分比
陳國強博士	1 - 1	好倉 好倉 好倉	公司權益 個人權益 公司權益	685,220,227 11,318,000 —	115,085,927	64.46% 1.06% 10.83%
伍婉蘭	1 1	好倉 好倉	家族權益 家族權益	696,538,227 —	_ 115,085,927	65.52% 10.83%
Chinaview	1 1	好倉 好倉	公司權益 公司權益	685,220,227 —	 115,085,927	64.46% 10.83%
Galaxyway	1 1	好倉 好倉	公司權益 公司權益	685,220,227 —	 115,085,927	64.46% 10.83%
德祥企業	1	好倉 好倉	公司權益 公司權益	685,220,227 —	_ 115,085,927	64.46% 10.83%
ITC Investment	1	好倉 好倉	公司權益 公司權益	685,220,227 —	- 115,085,927	64.46% 10.83%
Hollyfield	1 1	好倉 好倉	個人權益 個人權益	685,220,227 —	115,085,927	64.46% 10.83%
大福證券集團 有限公司	2	好倉	公司權益	685,202,227	_	64.46%
Tai Fook (BVI) Limited	2	好倉	公司權益	685,202,227	-	64.46%
大福財務有限公司	2	好倉	保證權益	685,202,227	_	64.46%

附註:

I. 陳國強博士由於擁有Chinaview之股權而被視作擁有685,220,227股本公司股份及可認購 115,085,927股本公司股份之二零零三年認股權證之權益。Galaxyway為Chinaview之全資 附屬公司,並擁有三份之一以上德祥企業已發行普通股本,而德祥企業繼而擁有ITC Investment全部已發行股本。ITC Investment之全資附屬公司Hollyfield則擁有該等股份及 二零零三年認股權證。於上述之685,220,227股本公司股份中,其中685,202,227股本公司 股份已抵押。陳國強博士之配偶伍婉蘭女士被視作於上述股份、二零零三年認股權證及 由陳國強博士直接持有之11,318,000股本公司股份中擁有權益。 1

陳國強博士、伍婉蘭女士、Chinaview、Galaxyway、德祥企業、ITC Investment及 Hollyfield為本公司之主要股東。

根據一致行動人士協議,陳國強博士於上述之685,220,227股本公司股份中之550,065,329 股本公司股份中擁有一致行動人士權益。另亦根據一致行動人士協議,德祥企業於上述 之685,220,227股股份中之561,383,329股本公司股份中擁有一致行動人士權益,其中 11,318,000股本公司股份由陳國強博士直接持有。

2. 由於大福證券集團有限公司擁有Tai Fook (BVI) Limited之股權,而Tai Fook (BVI) Limited則擁有大福財務有限公司之全部已發行股本,故被視作於本公司685,202,227股股份中擁有權益作為保證權益。

(c) 於本集團其他成員公司中之主要股權

於最後實際可行日期,據本公司董事及主要行政人員所知,下列人士(本公司董事或行政總裁除外)直接或間接擁有面值10%或以上之任何類別股本(附有在一切情況下於本集團任何其他成員公司之股東大會上投票之權利):

附屬公司名稱	股東姓名	佔已發行 股本百分比
恒加混凝土製品有限公司 朗成設計工程(香港)有限公司	劉國祥 傳藝工程策劃有限公司	30.0% 45.0%
Paul Y. Seli Limited 保華中鐵工程有限公司	Societa Esecuzione Lavori Idraulici S.p.A.中國鐵路工程總公司	49.0% 30.0%

除上文所披露者外,於最後實際可行日期,本公司董事及主要行政人員並不知悉任何人士於本公司股份或相關股份中擁有根據證券及期貨條例第十五部第2及第3部分之條文必須向本公司披露之權益或淡倉,或直接或間接擁有面值10%或以上之任何類別股本(附有在一切情況下於本公司任何其他成員公司之股東大會上投票之權利)。

服務合約

各董事概無與本集團任何成員公司訂立任何不可於一年內免付補償(法定補償除外)而終止之服務合約。

訴訟

本集團各成員公司目前概無牽涉任何就本集團而言乃屬重大之訴訟或索償要求, 而就董事所知,本集團各成員公司亦概無任何尚未了結或蒙受威脅而對本集團乃屬 重大之訴訟或索償要求。

一般事項

- a. 本公司之秘書為梅靜紅小姐A.C.S., A.C.I.S.。
- b. 本公司之註冊辦事處設於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, 而在香港之主要營業地點設於香港九龍觀塘鴻圖道51號保華企業中心31樓。
- c. 本公司之股份過戶登記分處為秘書商業服務有限公司,地址為香港灣仔告士打道 56號東亞銀行港灣中心地下。
- d. 本通函之中、英文本如有任何歧義,概以英文本為準。

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

If you are in any doubt as to any aspect of this document or as to the action you should take, you should consult your licensed securities dealers, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in and, or, warrants of China Strategic Holdings Limited, you should at once hand this document and the accompanying white and pink forms of acceptance to the purchaser, transferee or to the bank, licensed securities dealers or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



IIIC

HANNY HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

(Incorporated in Bermuda with limited list

Mandatory conditional cash offer by



Kingsway SW Securities Limited

on behalf of

Calisan Developments Limited and Well Orient Limited, each being indirect wholly-owned subsidiary of Paul Y. - ITC Construction Holdings Limited and Hanny Holdings Limited respectively, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants,

other than the China Strategic Shares and China Strategic Warrants presently owned by the Offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options

Financial adviser to Hanny Holdings Limited and Paul Y. - ITC Construction Holdings Limited



Kingsway Capital Limited

A letter from Kingsway SW Securities containing, among other things, the details of the terms of the Offers is set out on pages 5 to 14 of this document.

The procedures for acceptance of the Offers is set out on pages 13 to 14 and in Appendix I to this document and in the accompanying relevant form(s) of acceptance and form of renunciation. Acceptances of the Share Offer and Warrant Offer should be received by Standard Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong and the acceptance of the Option Offer should be received by the company secretary of China Strategic at the office of China Strategic at 8th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong both by no later than 4:00 p.m. on 26 August 2003, or such later time and, or date as the Offerors may decide and announce.

29 July 2003

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EXPECTED TIMETABLE

Expected date of despatch of the Offeree Document (Note 1) Tuesday, 12 August 2003
Latest time and date for receiving acceptance
Announcement posted on Stock Exchange's website announcing whether the Offers have expired or have become or have been declared unconditional 7:00 p.m. on Tuesday, 26 August 2003
First closing date of the Offers (Notes 2, 3, 4 and 5)
Announcement of the results of the Offers to be published in the newspapers
Final closing date of the Offers (assuming the Offers are declared unconditional on 26 August 2003)
Latest date for posting of remittances for the amount due under the Offers in respect of valid acceptances received on or before the latest time for acceptance if the Offers become or are declared unconditional on the first closing date (Note 6)

Notes:

- 1. Under the Takeovers Code, China Strategic is required to post the Offeree Document to China Strategic Shareholders, China Strategic Warrantholders and China Strategic Optionholder within 14 days of posting of this document (unless the Executive consents to a later date).
 - In the event that the Offeree Document may not be posted within 14 days of 29 July 2003 as required under the Takeovers Code, the Offerors intend to extend the Offer Period by the same number of business days in respect of such delay in the posting of the Offeree Document.
- 2. Under the Takeovers Code, where the Offeree Document is posted after the date on which this document is posted, the Offers must remain open for acceptance for at least 28 days following the date on which this document is posted. Although the Offerors do not intend to extend the Offers, they reserve the right to do so.
- 3. The Offers will close on Tuesday, 26 August 2003 unless the Offerors revise or extend the Offers in accordance with the Takeovers Code. Following the close of the Offers, an announcement of the result of the Offers will be published on the Stock Exchange's website by 7:00 p.m. on the closing date and will be republished in newspaper on Wednesday, 27 August 2003.
- 4. The Offerors will make an announcement as and when the Offers have become unconditional. Pursuant to the Takeovers Code, the Offers will remain open for acceptance for not less than 14 days after the Offers have been declared unconditional.
- 5. Pursuant to the Takeovers Code, the Offers shall not be kept open after the expiry of 60 days from the date of the posting of this document which is 26 September 2003 unless the Offers have previously become unconditional.
- 6. The consideration payable for the China Strategic Shares, China Strategic Warrants and China Strategic Options tendered under the Offers will be paid within 10 days of the later of the date of receipt by the Registrar or China Strategic (as the case may be) of all requisite documents to render the acceptance under the Offers complete and valid, and the date when the Offers become or are declared unconditional. Please refer to the paragraph headed "Acceptance and settlement" in the letter from Kingsway SW Securities on pages 13 to 14 of this document.

All time references contained in this document refer to Hong Kong time.

DEFINITIONS

In this document, the following expressions have the meanings set out below unless the context requires otherwise:

"associate(s)" has the meaning ascribed thereto under the Listing Rules

"CCASS" the Central Clearing and Settlement System established and

operated by Hong Kong Clearing

"China Strategic" China Strategic Holdings Limited, a company incorporated in

Hong Kong with limited liability, the securities of which are

listed on the Stock Exchange

"China Strategic Group" China Strategic and its subsidiaries

"China Strategic Option(s)" share option(s) granted by China Strategic under the share

option scheme adopted on 20th July, 1992

"China Strategic Optionholder" holder of China Strategic Options

"China Strategic Share(s)" share(s) of HK\$0.10 each in the share capital of China Strategic

"China Strategic Shareholder(s)" holder(s) of China Strategic Share(s)

"China Strategic Warrant(s)" warrant(s) of China Strategic carrying rights to subscribe for

165,893,682 China Strategic Shares at the subscription price of HK\$0.16 per China Strategic Share, at any time from 29th

August, 2002 up to and including 31st December, 2003

"China Strategic Warrantholder(s)" holder(s) of China Strategic Warrant(s)

"Dr. Charles Chan" Dr. Chan Kwok Keung, Charles, the chairman and executive

director of ITC Corporation, Hanny, Paul Y. - ITC, and China

Strategic

"Executive" the Executive Director of the Corporate Finance Division of the

SFC and any delegates of the Executive Director

"Hanny" Hanny Holdings Limited, a limited liability company

incorporated in Bermuda, the shares of which are listed on the

Stock Exchange

"Hanny Group" Hanny and its subsidiaries

"Hong Kong" the Hong Kong Special Administrative Region of the People's

Republic of China

"Hong Kong Clearing" Hong Kong Securities Clearing Company Limited

"Independent Board Committee" the independent board committee of China Strategic to be

appointed by the board of China Strategic for the purpose of advising the Independent China Strategic Shareholders, the Independent China Strategic Warrantholders and the China

Strategic Optionholder in respect of the Offers

"Independent China Strategic China Strategic Shareholder(s) other than the Offerors and their

Shareholder(s)" concert parties

"Independent China Strategic China Strategic Warrantholder(s) other than the Offerors and

Warrantholder(s)" their concert parties

DEFINITIONS

"Independent Third Parties" parties not connected nor acting in concert with the directors, chief executives or substantial shareholders of China Strategic or any of its subsidiaries or an associate of any of them "ITC Corporation" ITC Corporation Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange "ITC Corporation Group" ITC Corporation and its subsidiaries the joint announcement made by ITC Corporation, Hanny, Paul "Joint Announcement" Y. - ITC and China Strategic on 8 July 2003 regarding the Offers "Kingsway Capital" Kingsway Capital Limited, a fellow subsidiary of Kingsway SW Securities, a Licensed Corporation and the financial adviser to Hanny and Paul Y. - ITC in relation to the Offers "Kingsway SW Securities" Kingsway SW Securities Limited, a fellow subsidiary of Kingsway Capital and a Licensed Corporation "Latest Practicable Date" 26 July 2003, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information for inclusion in this document "Licensed Corporation" a party falling within the definition of "licensed corporation" in the SFO "Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange "Offer Period" the period commencing from Tuesday, 8 July 2003, being the date of Joint Announcement giving, amongst other things, details on the Offers until whichever is the latest of (a) the date which the Offers close for acceptances and (b) the date when the Offers lapse "Offeree Document" the response document to be issued by China Strategic to the China Strategic Shareholders, China Strategic Warrantholders and China Strategic Optionholder in accordance with the provisions of the Takeovers Code containing, among other things, the recommendation of the Independent Board Committee and the advice of the independent financial adviser in respect of the Offers, and is expected to be despatched within 14 days of the date of this document "Offerors" Calisan Developments Limited and Well Orient Limited, which are indirect wholly-owned subsidiaries of Paul Y. - ITC and Hanny respectively "Offers" the Share Offer, Warrant Offer and Option Offer "Option Offer" the mandatory conditional cash offer of HK\$0.001 per China Strategic Option to cancel all the outstanding China Strategic Options on the terms and subject to the conditions contained in this document and the Pink Form of Renunciation

which are listed on the Stock Exchange

Paul Y. - ITC Construction Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of

"Paul Y. - ITC"

DEFINITIONS

"Paul Y. - ITC Group" Paul Y. - ITC and its subsidiaries "Pink Form of Renunciation" the pink form of renunciation and acceptance for the Option Offer which accompanies this document "PRC" The People's Republic of China and for the purpose of this document, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan Standard Registrars Limited, the share and warrant registrar of "Registrar" China Strategic, at Ground Floor, Bank of East Asia, Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong "Relevant Period" the period commencing on the date falling six months prior to the date of the Joint Announcement and ending on the Latest Practicable Date "SFC" the Securities and Futures Commission "SFO" the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "Share Offer" mandatory conditional cash offer of HK\$0.139 per China Strategic Share to acquire all the issued shares in China Strategic, other than those China Strategic Shares presently owned by the Offerors and their concert parties, on the terms and conditions set out in this document and the White Form of Acceptance "Stock Exchange" The Stock Exchange of Hong Kong Limited the announcement dated 21 July 2003 made jointly by ITC "Supplemental Announcement" Corporation, Hanny, Paul Y. - ITC and China Strategic regarding the Offers The Hong Kong Code on Takeovers and Mergers "Takeovers Code" "Warrant Offer" the mandatory conditional cash offer of HK\$0.001 per China Strategic Warrant to acquire all the outstanding China Strategic Warrants, other than those China Strategic Warrants presently owned by the Offerors and their concert parties, on the terms and

"White Form of Acceptance"

"Yellow Form of Acceptance"

"HK\$"

the white form of acceptance and transfer for the Share Offer

conditions set out in this document and the Yellow Form of

which accompanies this document

Acceptance

the yellow form of acceptance and transfer for the Warrant Offer

which accompanies this document

Hong Kong dollars, the lawful currency of Hong Kong

Kingsway Group

5/F., Hutchison House, 10 Harcourt Road, Central, Hong Kong. Tel. No.: (852) 2877-1830 Fax No.: (852) 2868-3570



29 July 2003

To the Independent China Strategic Shareholders, the Independent China Strategic Warrantholders and the China Strategic Optionholder

Dear Sir or Madam,

Mandatory conditional cash offer by Kingsway SW Securities Limited on behalf of the Offerors, each being indirect wholly-owned subsidiary of Hanny Holdings Limited and Paul Y. - ITC Construction Holdings Limited respectively, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than the China Strategic Shares and China Strategic Warrants presently owned by the Offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options

INTRODUCTION

Referring to the Joint Announcement dated 8 July 2003 issued by ITC Corporation, Hanny, Paul Y. - ITC and China Strategic with respect to the Offers in which the Offerors announced to make a voluntary conditional cash offer at the price of HK\$0.10 for each China Strategic Shares and HK\$0.001 for each China Strategic Warrant respectively other than those already owned by the Offerors and their concert parties, in order to increase the aggregate shareholdings of the Offerors in China Strategic to over 50% of the issued share capital of China Strategic, Kingsway SW Securities has been appointed by the Offerors to stand in the market to acquire China Strategic Shares at a price of no more than HK\$0.10 per China Strategic Share. On 9 July 2003, Kingsway SW Securities, on behalf of the Offerors, purchased 49,665,000 China Strategic Shares, representing 5.98% of the issued share capital of China Strategic, at the open market at a price of HK\$0.10 per China Strategic Share. After the purchase on 9 July 2003, the Offerors and their concert parties are interested in 291,675,000 China Strategic Shares, representing approximately 35.16% of the issued share capital of China Strategic, thus triggering a mandatory offer during the offer period of a voluntary offer under Rule 26 of the Takeovers Code.

On 21 July 2003, the Offerors have notified China Strategic that the offer price under the Share Offer is to be increased from HK\$0.10 to HK\$0.139 per China Strategic Share and the Offerors, through Kingsway SW Securities, will make a mandatory conditional cash offer at the price of HK\$0.139 for each China Strategic Share and HK\$0.001 for each China Strategic Warrant respectively, other than the China Strategic Shares and the China Strategic Warrants presently owned by the Offerors and parties acting in concert with the Offerors, and to cancel all outstanding China Strategic Options at HK\$0.001 per China Strategic Option.

The Offers are conditional upon the Offerors having received acceptances in respect of voting rights attached to China Strategic Shares which, together with any voting rights acquired or agreed to be acquired before or during the Offer Period, will result in the Offerors and any parties acting in concert with them in aggregate holding more than 50% of the voting rights attaching to the China Strategic Shares.

This letter sets out the terms of the Offers and information on the Offerors. Acceptance of the Offers is subject to the terms set out in Appendix I to this document, White Form of Acceptance, Yellow Form of Acceptance and Pink Form of Renunciation accompanying this document. Under the Takeovers Code, the Offeree Document is expected to be sent to you within 14 days from the date of this document and it will contain a letter from the Independent Board Committee to be formed to advise you on the Offers and a letter of advice from the independent financial adviser in these respects. You are urged to wait for the receipt of the Offeree Document and read the contents thereof before deciding whether or not to accept the Offers.

THE OFFERS

Kingsway SW Securities is making conditional cash offers, on behalf of Offerors, to acquire all the issued China Strategic Shares and outstanding China Strategic Warrants, other than those already owned by the Offerors and parties acting in concert with them, and to cancel all outstanding China Strategic Options on the following bases pursuant to the Takeovers Code:

The Share Offer

The price of HK\$0.139 for each China Strategic Share represents:

- a premium of approximately 54.44% to the closing price of HK\$0.09 per China Strategic Share as quoted on the Stock Exchange on 27 June 2003, being the last trading day immediately preceding the date of the Joint Announcement;
- a discount of approximately 4.14% to the closing price of HK\$0.145 per China Strategic Share as quoted on the Stock Exchange on 10 July 2003, being the last trading day immediately preceding the date of Supplemental Announcement;
- a premium of approximately 56.18% to the average closing price of HK\$0.089 per China Strategic Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including 27 June 2003;
- a premium of approximately 41.12% to the average closing price of HK\$0.0985 per China Strategic Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including 10 July 2003;
- a premium of approximately 61.63% to the average closing price of HK\$0.086 per China Strategic Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including 27 June 2003;
- a premium of approximately 54.96% to the average closing price of HK\$0.0897 per China Strategic Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including 10 July 2003;
- a premium of approximately 54.44% to the average closing price of HK\$0.09 per China Strategic Share as quoted on the Stock Exchange for the six month period up to and including 27 June 2003;
- a premium of approximately 54.27% to the average closing price of HK\$0.0901 per China Strategic Share as quoted on the Stock Exchange for the six month period up to and including 10 July 2003; and
- a discount of approximately 93.32% to the net asset value per China Strategic Share of HK\$2.08 based on the audited accounts of China Strategic as at 31 December 2002.

The Warrant Offer

The China Strategic Warrants are currently out-of-the-money and will expire after 31 December 2003. Accordingly, an offer at HK\$0.001 is being made for each China Strategic Warrant. The price of HK\$0.001 per China Strategic Warrant represents:

- a discount of approximately 95.00% to the closing price of HK\$0.02 per China Strategic Warrant as quoted on the Stock Exchange on 10 July 2003, being the last trading day immediately preceding the date of the Joint Announcement;
- a discount of approximately 91.67% to the average closing price of HK\$0.012 per China Strategic Warrant as quoted on the Stock Exchange for the ten consecutive trading days up to and including 10 July 2003

The Option Offer

China Strategic has issued to Ms. Chan Ling, Eva, an executive director of China Strategic, options to subscribe for up to 75,000 China Strategic Shares under its share option scheme at a subscription price of HK\$3.145 per China Strategic Share. The China Strategic Options are currently out-of-the-money. Further, the price of each China Strategic Share is substantially lower than the subscription price of the China Strategic Options and these China Strategic Options are non-assignable and non-transferable. Taking into consideration the above factors, Kingsway SW Securities is making an offer, on behalf of the Offerors, to the China Strategic Optionholder for her to surrender her China Strategic Options for cancellation at HK\$0.001 for each China Strategic Option outstanding pursuant to the Takeovers Code. On 8 July 2003, Ms. Chan Ling, Eva has undertaken to the Offerors that she will not exercise her China Strategic Options during the Offer Period.

Total consideration

As at the Latest Practicable Date, the Offerors and their concert parties are interested in 291,675,000 China Strategic Shares, representing 35.16% of the issued share capital of China Strategic. Assuming full acceptance of the Offers, the cash consideration payable by the Offerors at the offer price of HK\$0.139 per China Strategic Share, HK\$0.001 per China Strategic Warrant and HK\$0.001 per China Strategic Option will amount to approximately HK\$74.9 million, in which approximately HK\$74.8 million, HK\$117,630 and HK\$75 will be used for the acquisition of China Strategic Shares, China Strategic Warrants and China Strategic Options respectively.

Condition of the Offers

The Share Offer is conditional upon the Offerors having received acceptances in respect of voting rights attached to China Strategic Shares which, together with any voting rights acquired or agreed to be acquired before or during the Offers, will result in the Offerors and any parties acting in concert with them in aggregate holding more than 50% of the voting rights attaching to the China Strategic Shares.

The Warrant Offer and Option Offer are conditional on the Share Offer becoming or being declared unconditional.

Sufficiency of financial resources

Kingsway Capital has been appointed by the Offerors to advise them in connection with the Offers and Kingsway Capital is satisfied that sufficient financial resources are available to the Offerors, from a loan facility of HK\$60 million granted to the Offerors by Kingsway SW Securities and the remaining HK\$14.9 million will be financed by internal resources of the Offerors, to enable the Offerors to satisfy full acceptance of the Offers. Pursuant to the loan and mortgage agreements between the Offerors and

Kingsway SW Securities, the Offerors agreed to pledge their 290,985,000 China Strategic Shares beneficially owned by the Offerors and any China Strategic Shares to be acquired by the Offerors under the Share Offer or otherwise during the Offer Period to Kingsway SW Securities to secure the loan facility granted to the Offerors by Kingsway SW Securities.

Latest time for acceptances

The latest time for acceptances is 4:00 p.m. on Tuesday, 26 August 2003. The Offerors do not intend to extend the time for acceptance of the Offers but reserve the right to do so.

In the event that the Offeree Document may not be posted within 14 days of 29 July 2003 as required under the Takeovers Code, the Offerors intend to extend the Offer Period by the same number of business days in respect of such delay in the posting of the Offeree Document.

Effect of accepting the Offers

By accepting the Offers and upon the Offers becoming or being declared unconditional, China Strategic Shareholders or China Strategic Warrantholders will sell their China Strategic Shares or China Strategic Warrants free from all liens, claims and encumbrances and with all rights attached, including the right to receive all dividends and distributions declared, made or paid after the close of the Offers, whereas China Strategic Optionholder will surrender her China Strategic Options for cancellation. An acceptor of the Offers is entitled to withdraw his acceptance after 21 days from the first closing date, if the Offers have not by then become unconditional. Such entitlement to withdraw shall be exercisable until the Offers become unconditional. Save as aforesaid, acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Stamp duty

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Pursuant to the Offers, seller's ad valorem stamp duty in connection with the acceptance of the Share Offer and/or Warrant Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the consideration which the accepting China Strategic Shareholders and/or China Strategic Warrantholders will become liable to pay and will be deducted from the consideration payable on acceptance of the Share Offer and/or Warrant Offer and will be paid by the Offerors.

Dealings and holdings in the China Strategic Shares and China Strategic Warrants

Before the Offer Period commenced on 8 July 2003, each of the Offerors is interested in 120,660,000 China Strategic Shares, representing approximately 14.55% of the issued share capital of China Strategic, or together in an aggregate of 241,320,000 China Strategic Shares, representing 29.10% of the issued share capital of China Strategic. On 9 July 2003, the Offerors jointly purchased and divided equally between themselves a total of 49,665,000 China Strategic Shares on the market, representing approximately 5.98% of the issued share capital of China Strategic. After the purchase made on 9 July 2003, each of the Offerors is interested in 145,492,500 China Strategic Shares, representing 17.54% of the issued share capital of China Strategic or together in an aggregate of 290,985,000 China Strategic Shares, representing approximately 35.08% of the issued share capital of China Strategic.

Together with the 690,000 China Strategic Shares owned by the concert parties of the Offerors (Ms. Ma Wai Man, Catherine, an independent non-executive director of Hanny and Ms. Lee Li, the spouse of a director of Hanny's subsidiary), as at the Latest Practicable Date, Hanny and Paul Y. - ITC, through the Offerors and their concert parties, are interested in 291,675,000 China Strategic Shares, representing approximately 35.16% of the issued share capital of China Strategic.

Save for the purchase made on 9 July 2003, neither the Offerors nor any of the parties acting in concert with them have dealt in the China Strategic Shares or China Strategic Warrants or other securities of China Strategic during the Relevant Period.

In addition, Hanny and Paul Y. - ITC, through the Offerors, are interested in 48,264,000 China Strategic Warrants, collectively representing approximately 29.10% of the outstanding China Strategic Warrants. Based on the subscription price of HK\$0.16 per China Strategic Share, 48,264,000 new China Strategic Shares will be issued upon full conversion of China Strategic Warrants by the Offerors, representing approximately 5.82% of the existing total issued China Strategic Shares and approximately 5.50% of the total issued China Strategic Shares as enlarged by the issue of such new China Strategic Shares.

As at the Latest Practicable Date, Dr. Charles Chan indirectly holds approximately 34.82% of the issued ordinary share capital of ITC Corporation and he also directly holds approximately 1.06% of the issued share capital of Paul Y. - ITC. In addition, 650,000 China Strategic Shares, representing approximately 0.08% of the issued share capital of China Strategic, and 40,000 China Strategic Shares, representing approximately 0.005% of the issued share capital of China Strategic, are held respectively by Ms. Ma Wai Man, Catherine, an independent non-executive director of Hanny and Ms. Lee Li, the spouse of a director of Hanny's subsidiary.

By virtue of his being the controlling shareholder of ITC Corporation, Dr. Charles Chan is deemed to be interested in 145,492,500 China Strategic Shares and 24,132,000 China Strategic Warrants held by Paul Y. - ITC Group. As ITC Corporation indirectly holds approximately 28.26% of the issued ordinary share capital of Hanny, Dr. Charles Chan is a concert party of Hanny.

Save as disclosed above, Dr. Charles Chan and other directors of ITC Corporation, Hanny and Paul Y. - ITC and their respective concert parties do not hold any China Strategic Shares and/or China Strategic Warrants and/or China Strategic Options.

INFORMATION ABOUT THE OFFERORS

Information about Calisan Developments Limited and Paul Y. - ITC

Calisan Developments Limited, one of the Offerors, is a limited liability company which was incorporated in the British Virgin Islands on 2 May 1991 and it is an investment holding company. As at the Latest Practicable Date, Calisan Developments Limited directly holds 145,492,500 China Strategic Shares, representing approximately 17.54% of issued share capital of China Strategic, and 24,132,000 China Strategic Warrants, representing approximately 14.55% of the total outstanding China Strategic Warrants. Calisan Developments Limited is an indirect wholly-owned subsidiary of Paul Y. - ITC.

The principal business of Paul Y. - ITC Group includes building construction, civil engineering, specialist works, property development and investment, and manufacturing and trading of construction materials. Its primary business focus is in Hong Kong and the PRC. Paul Y. - ITC is beneficially owned as to approximately 64.46% by ITC Corporation.

Information about Well Orient Limited and Hanny

Well Orient Limited, one of the Offerors, is a limited liability company which was incorporated in Hong Kong on 21 August 2000 and it is an investment holding company. As at the Latest Practicable Date, Well Orient Limited and its concert parties directly hold 146,182,500 China Strategic Shares, representing approximately 17.62% of issued share capital of China Strategic, and 24,132,000 China Strategic Warrants, representing approximately 14.55% of the total outstanding China Strategic Warrants. Well Orient Limited is an indirect wholly-owned subsidiary of Hanny.

The principal business of Hanny Group includes trading of computer related products and consumer electronic products. Hanny also trades securities and invests in information technology businesses. Hanny is beneficially owned as to approximately 28.26% by ITC Corporation.

THE INTENTION OF THE OFFERORS REGARDING CHINA STRATEGIC

Business of China Strategic

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China Strategic is an investment holding company and the subsidiaries of which are principally engaged in the business of tire manufacturing, manufacturing, retailing and distribution of Chinese medicine, western pharmaceuticals and health food and investment in infrastructure projects.

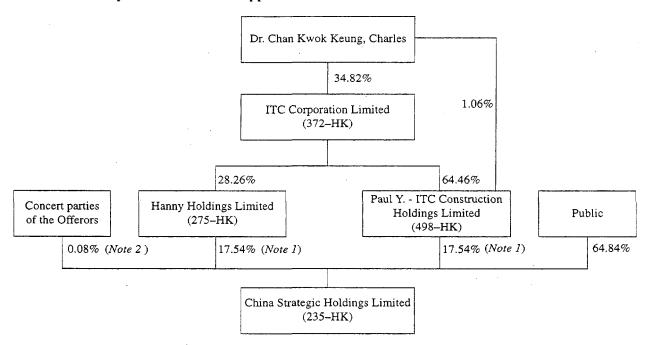
The Offers will not of itself result in any change in the board of directors, management, business or the continued employment of the employees, including directors, of China Strategic Group or any of its associated companies under the control of China Strategic.

Following the close of the Offers, the Offerors intend to continue the existing business of China Strategic Group and currently the Offerors have no intention to re-deploy fixed assets of China Strategic Group. Further, the Offerors have no intention to inject any assets or businesses into and/or dispose of any assets or businesses from China Strategic Group immediately after completion of the Offers.

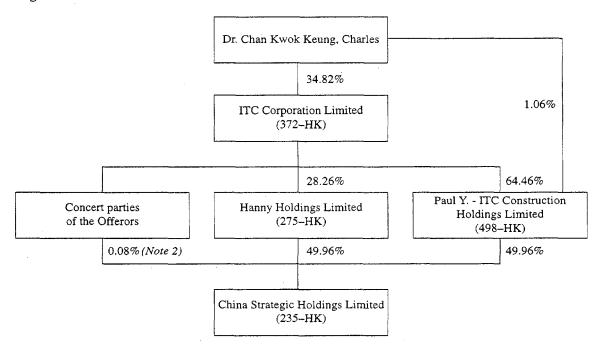
The China Strategic Shares and the China Strategic Warrants to be acquired by Kingsway SW Securities, on behalf of the Offerors, during the Offers will be distributed to the Offerors in equal proportion. To ensure that not less than 25% of the China Strategic Shares and China Strategic Warrants will be held by the public after the Offers, the Offerors will place down their interests in China Strategic as soon as possible. China Strategic will become an associated company of Hanny and Paul Y. - ITC after the Offers and the placing.

The following charts summarise the shareholding structure of China Strategic immediately before the publication of the Supplemental Announcement and after full acceptance of the Offers:

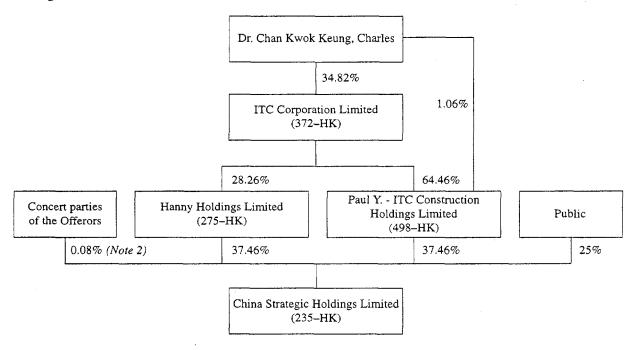
Before the publication of the Supplemental Announcement



After full acceptance of the Offers but before the Offerors place down their interests in China Strategic:



After full acceptance of the Offers and the Offerors place down their interests in China Strategic:



Notes:

- 1. Before the Offer Period commenced on 8 July 2003 the Offerors are interested in an aggregate 241,320,000 China Strategic Shares, representing 29.1% of the issued share capital of China Strategic. On 9 July 2003, the Offerors purchased 49,665,000 China Strategic Shares on the market, representing 5.98% of the issued share capital of China Strategic. After the purchase made on 9 July 2003, each of the Offerors is interested in 145,492,500 China Strategic Shares representing 17.54% of the issued share capital of China Strategic.
- 2. As at the Latest Practicable Date, the concert parties of the Offerors are interested in 690,000 China Strategic Shares, out of which 650,000 China Strategic Shares, representing approximately 0.08% of the issued share capital of China Strategic, and 40,000 China Strategic Shares, representing approximately 0.005% of the issued share capital of China Strategic, are held respectively by Ms. Ma Wai Man, Catherine, an independent non-executive director of Hanny and Ms. Lee Li, the spouse of a director of Hanny's subsidiary.

REASONS FOR THE ACQUISITION

To the extent that the Offerors are successful in acquiring China Strategic Shares either through market purchases or through acceptances to the Share Offer, the Offerors will be able to enhance their investment in China Strategic by improving their share of the net assets of China Strategic and reduce their average investment cost in China Strategic.

China Strategic is an investment holding company and the subsidiaries of which are principally engaged in the business of tire manufacturing, manufacturing, retailing and distribution of Chinese medicine, western pharmaceuticals and health food and investment in infrastructure projects. The Offerors consider that the Offers could strengthen their ties with China Strategic and enhance their profile in the PRC. Having considered the economy in the PRC has maintained good impetus and the consumption power of Chinese people has steadily improved throughout this decade, the Offerors expect that the investments and businesses of China Strategic in the PRC will contribute long-term financial benefit to the Offerors. Before the Offers, since Hanny and Paul Y. - ITC each holds less than 20% interest in China Strategic, neither of them accounts for China Strategic as an the associated company in their respective financial statements. After the successful completion of the Offers, the Offerors will be able to recognise China Strategic as the associated company of Hanny and Paul Y. - ITC Group which will enhance the long term investment value of the Offerors.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offerors will not exercise the power of compulsory acquisition. It is the intention of the Offerors to maintain the listing of China Strategic on the Stock Exchange after the close of the Offers. The Offerors and China Strategic have undertaken to the Stock Exchange that appropriate steps following the close of the Offers will be taken as soon as possible to ensure that not less than 25% of the China Strategic Shares and China Strategic Warrants will be held by the public. When the Offers closes, should there be less than 25% of China Strategic Shares and China Strategic Warrants in public hands, the directors of the Offerors presently intend to take appropriate steps which may include, placing down their interest in China Strategic to Independent Third Parties within one month after closing of the Offers.

The Stock Exchange has stated that it will closely monitor the trading in the China Strategic Shares and China Strategic Warrants on the Stock Exchange. If the Stock Exchange believes that:

- a false market exists or may exist in the China Strategic Shares and China Strategic Warrants; or
- there are too few China Strategic Shares and China Strategic Warrants in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in China Strategic Shares and China Strategic Warrants.

In this connection, it should be noted that upon completion of the Offers, there may be an insufficient public float for the China Strategic Shares and China Strategic Warrants and, therefore, trading in the China Strategic Shares and China Strategic Warrants may be suspended until a sufficient level of public float is attained.

LETTER FROM KINGSWAY SW SECURITIES

If China Strategic remains a listed company, the Stock Exchange will closely monitor all future acquisitions or disposals of assets by China Strategic. Any acquisitions or disposals of assets by China Strategic and its subsidiaries will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has discretion to require China Strategic to issue a circular and an announcement to its shareholders irrespective of the size of the proposed acquisitions and disposals of assets by China Strategic, particularly where such proposed acquisitions and disposals of assets by China Strategic represent a departure from the principal activities of China Strategic. The Stock Exchange has the power pursuant to the Listing Rules to aggregate a series of acquisitions and disposals of assets by China Strategic and any such acquisitions and disposals of assets may result in China Strategic being treated as if it were a new listing applicant and subject to the requirements for new listing application as set out in the Listing Rules.

TAXATION

China Strategic Shareholders, China Strategic Warrantholders and China Strategic Optionholder are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Offers. It is emphasized that none of Kingsway Capital, Kingsway SW Securities, the Offerors or any of their respective directors or any persons involved in the Offers accepts responsibility for any tax effects on, or liabilities of, any person or persons as a result of their acceptance of the Offers.

PROCEDURES FOR ACCEPTANCE

The Share Offer and the Warrant Offer

To accept the Share Offer, you should complete the accompanying White Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Share Offer.

To accept the Warrant Offer, you should complete the accompanying Yellow Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Warrant Offer.

The completed form(s) of acceptance should then be forwarded, together with the relevant China Strategic Share certificate(s) and/or China Strategic Warrant certificate(s) and/or transfer receipt(s) and/or any document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for not less than the number of China Strategic Shares and/or China Strategic Warrants in respect of which you intend to accept the Share Offer and/or the Warrant Offer, by post or by hand, to Standard Registrars Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, in an envelope marked "China Strategic Share Offer" and/or "China Strategic Warrant Offer" as soon as possible but in any event not later than 4:00 p.m. on Tuesday, 26 August 2003 or such later date as the Offerors may determine and announce. No acknowledgement of receipt of any form(s) of acceptance, China Strategic Share certificate(s) and/or China Strategic Warrant certificate(s), transfer receipt(s) or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

The Option Offer

To accept the Option Offer, you should complete the accompanying Pink Form of Renunciation with the instructions printed thereon, which instructions form part of the terms and conditions of the Option Offer, and then deliver the Pink Form of Renunciation together with the relevant China Strategic Option certificate(s) for the whole of your holding of the China Strategic Options, or for the number of China Strategic Options in respect of which you accept the Option Offer by post or by hand to China Strategic at 8th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong for the attention of the company secretary of China Strategic, in an envelope marked "China Strategic Option Offer", as soon as possible but in any event not later than 4:00 p.m. on Tuesday, 26 August 2003. No acknowledgement of receipt of Pink Form of Renunciation and China Strategic Option certificate(s) will be given.

LETTER FROM KINGSWAY SW SECURITIES

Your attention is drawn to the further details regarding the procedures for acceptance set out in Appendix I to this document and the accompanying White Form of Acceptance, Yellow Form of Acceptance and Pink Form of Renunciation. The attention of the China Strategic Shareholders, China Strategic Warrantholders and China Strategic Optionholder with registered addresses outside Hong Kong is also drawn to the section headed "General" in Appendix I to this document.

SETTLEMENT OF THE CONSIDERATION

Remittances in respect of the consideration payable for the China Strategic Shares, China Strategic Warrants and China Strategic Options tendered under the Offers will be posted within 10 days of the later of the date the Offers become or are declared unconditional and the date of receipt by the Registrar (in respect of the Share Offer and the Warrant Offer) or China Strategic (in respect of the Option Offer) of all the relevant documents to render the relevant acceptances under the Offers complete and valid. If the Offers lapse, certificates of China Strategic Shares and/or China Strategic Warrants and/or China Strategic Options, or other relevant documents tendered to the Offers will be posted to those who accepted the Offers within 10 days of the lapse of the Offers.

FURTHER TERMS OF THE OFFERS

Further terms and conditions of the Offers, including the procedures for acceptance and the acceptance period of the Offers are set out in Appendix I on pages 15 to 21 of this document and the accompanying White Form of Acceptance, Yellow Form of Acceptance and Pink Form of Renunciation.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices which form part of this document.

Yours faithfully,
For and on behalf of
Kingsway SW Securities Limited
William Ka Chung Lam
Director

1. PROCEDURE FOR ACCEPTANCE

If you decide to accept the Share Offer and, or, the Warrant Offer, please complete and sign the accompanying relevant form(s) of acceptance in accordance with the instructions thereon in respect of your holdings of China Strategic Shares and, or, China Strategic Warrants, as the case may be. Please then return the original form(s) of acceptance duly completed together with the relevant China Strategic Share certificate(s) and, or, China Strategic Warrant certificate(s), and, or, transfer receipt(s) and, or other document(s) of title and, or, any satisfactory indemnity or indemnities required in respect thereof for the whole of your holding of China Strategic Shares and, or, China Strategic Warrants, or for not less than the number of China Strategic Shares and, or, amount of China Strategic Warrants in respect of which you accept the Share Offer or Warrant Offer, as the case may be, to the Registrar, Standard Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong and in any event so as to be received by not later than 4:00 p.m. on Tuesday, 26 August 2003, or such later time and, or date as the Offerors may decide. Acceptances received after 4:00 p.m. on such closing day will only be valid if the Offers are revised or extended before the closing date, or if the Offers have become or been declared unconditional by 4:00 p.m. on such closing date.

If you decide to accept the Option Offer, please complete and sign the accompanying Pink Form of Renunciation in accordance with the instructions thereon in respect of your holdings of China Strategic Options. Please then return the original Pink Form of Renunciation duly completed together with the China Strategic Option certificate(s) for the whole of your holding of China Strategic Options, or for not less than the number of China Strategic Options in respect of which you accept the Option Offer to the company secretary of China Strategic at the office of China Strategic at 8th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong and in any event so as to be received by not later than 4:00 p.m. on Tuesday, 26 August 2003, or such later time and, or date as the Offerors may decide. Acceptances received after 4:00 p.m. on such closing day will only be valid if the Offers are revised or extended before the closing date, or if the Offers have become or been declared unconditional by 4:00 p.m. on such closing date.

Share Offer

Subject to the Share Offer becoming or being declared unconditional and provided that the White Form of Acceptance, the China Strategic Share certificate(s) and, or transfer receipt(s) and, or other documents of title, and, or any satisfactory indemnity or indemnities required in respect thereof, are completed and in good order and have been received by the Registrar before the close of the Share Offer, cheques in respect of the relevant consideration will be posted at the risk of the accepting China Strategic Shareholders within ten days of the later of:

- the date on which the Share Offer becomes or is declared unconditional; and
- the receipt of all the relevant documents by the Registrar to render the acceptance under the Share Offer complete and valid.

If the China Strategic Share certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title for your China Strategic Shares are in the name of a nominee company or some name other than your own, and you wish to accept the Share Offer you must either:

lodge your China Strategic Share certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof, with the nominee company, or other nominee, with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the White Form of Acceptance, duly completed together with the relevant China Strategic Share certificate(s) and, or, transfer receipt(s) and, or, any, other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof, to the Registrar; or

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- arrange for the China Strategic Shares to be registered in your name by the Registrar and send the completed White Form of Acceptance to them together with the relevant China Strategic Share certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof; or
- if you have deposited your China Strategic Shares with CCASS, instruct your broker to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited before the closing date. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your broker for the timing on processing your instruction, and submit your instruction to your broker as required.

If the China Strategic Share certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title, and, or, any satisfactory indemnity or indemnities in respect thereof, of your China Strategic Shares are not readily available or is, are, lost and you wish to accept the Share Offer, you should nevertheless complete and sign the White Form of Acceptance and deliver it to the Registrar and arrange for the relevant China Strategic Share certificate(s) and, or, transfer receipt(s) and, or, other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof, to be forwarded to the Registrar as soon as possible thereafter accompanied by a letter stating that you have lost one or more of your China Strategic Share certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof, or that they are not readily available. If you have lost your China Strategic Share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

If you have lodged a transfer of China Strategic Share for registration in your name but have not yet received your China Strategic Share certificate(s) and you wish to accept the Share Offer, you should nevertheless complete the White Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an authority to the Offerors or their agents to collect, on your behalf, the relevant China Strategic Share certificate(s) when issued and to deliver such China Strategic Share certificate(s) to the Registrar, subject to the terms of the Share Offer, as if they were China Strategic Share certificates delivered to the Registrar with the White Form of Acceptance.

The cash consideration due will not be despatched until the relevant China Strategic Share certificate and, or transfer receipt and, or any other documents of title (and, or a satisfactory indemnity or indemnities in respect of any lost Share certificate) have been received by the Registrar and otherwise subject to the terms and conditions of the Share Offer. However, an acceptance may not be counted towards fulfilling the acceptance condition unless it is received on or before the latest time for acceptance set out in this document, the White Form of Acceptance is duly completed and is accompanied by the relevant China Strategic Share certificate(s) and, or, transfer receipts and, or, other documents of title or certified by the Registrar or the Stock Exchange.

No acknowledgement of receipt of any White Form(s) of Acceptance, China Strategic Share certificate(s), and, or, transfer receipt(s) and, or, any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

If the Offers lapse, China Strategic Shares certificates and other relevant documents tendered to the Share Offer will be posted to those who accepted the Share Offer within 10 days of the lapse of the Offers.

Warrant Offer

Subject to the Warrant Offer becoming or being declared unconditional and provided that the Yellow Form of Acceptance, the China Strategic Warrant certificate(s) and, or transfer receipt(s) and, or other documents of title, and, or any satisfactory indemnity or indemnities required in respect thereof, are completed and in good order and have been received by the Registrar before the close of the Warrant Offer,

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cheques in respect of the relevant consideration will be posted at the risk of accepting China Strategic Warrantholders within ten days of the later of:

- the date on which the Warrant Offer becomes or is declared unconditional; and
- the receipt of all the relevant documents by the Registrar to render the acceptance under the Warrant Offer complete and valid.

If the China Strategic Warrant certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title for your China Strategic Warrants are in the name of a nominee company or some name other than your own, and you wish to accept the Warrant Offer you must either:

- lodge your China Strategic Warrant certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof, with the nominee company, or other nominee, with instructions authorising it to accept the Warrant Offer on your behalf and requesting it to deliver the Yellow Form of Acceptance, duly completed together with the relevant China Strategic Warrant certificate(s) and, or, transfer receipt(s) and, or, any, other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof, to the Registrar; or
- arrange for the China Strategic Warrants to be registered in your name by the Registrar and send the completed Yellow Form of Acceptance to them together with the relevant China Strategic Warrant certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof; or
- if you have deposited your China Strategic Warrants with CCASS, instruct your broker to authorise HKSCC Nominees Limited to accept the Warrant Offer on your behalf on or before the deadline set by HKSCC Nominees Limited before the closing date. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your broker for the timing on processing your instruction, and submit your instruction to your broker as required.

If the China Strategic Warrant certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title, and, or, any satisfactory indemnity or indemnities in respect thereof, of your China Strategic Warrants are not readily available or is, are, lost and you wish to accept the Warrant Offer, you should nevertheless complete and sign the Yellow Form of Acceptance and deliver it to the Registrar and arrange for the relevant China Strategic Warrant certificate(s) and, or, transfer receipt(s) and, or, other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof, to be forwarded to the Registrar as soon as possible thereafter accompanied by a letter stating that you have lost one or more of your China Strategic Warrant certificate(s) and, or, transfer receipt(s) and, or, any other document(s) of title, and, or, any satisfactory indemnity or indemnities required in respect thereof, or that they are not readily available. If you have lost your China Strategic Warrant certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

If you have lodged a transfer of China Strategic Warrants for registration in your name but have not yet received your China Strategic Warrant certificate(s) and you wish to accept the Warrant Offer, you should nevertheless complete the Yellow Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an authority to the Offerors or their agents to collect, on your behalf, the relevant China Strategic Warrant certificate(s) when issued and to deliver such Warrant certificate(s) to the Registrar, subject to the terms of the Warrant Offer, as if they were China Strategic Warrant certificates delivered to the Registrar with the Yellow Form of Acceptance.

The cash consideration due will not be despatched until the relevant China Strategic Warrant certificate and, or transfer receipt and, or any other documents of title (and, or a satisfactory indemnity or indemnities in respect of any lost China Strategic Warrant certificate) have been received by the Registrar and otherwise subject to the terms and conditions of the Warrant Offer. However, an acceptance may not be counted towards fulfilling the acceptance condition unless it is received on or before the latest time for

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acceptance set out in this document, the Yellow Form of Acceptance is duly completed and is accompanied by the relevant China Strategic Warrant certificate(s) and, or, transfer receipts and, or, other documents of title or certified by the Registrar or the Stock Exchange.

No acknowledgement of receipt of any Yellow Form(s) of Acceptance, China Strategic Warrant certificate(s), and, or, transfer receipt(s) and, or, any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

If the Offers lapse, the China Strategic Warrants certificates and other relevant documents tendered to the Warrant Offer will be posted to those who accepted the Warrant Offer within 10 days of the lapse of the Offers.

Option Offer

Subject to the Option Offer becoming or being declared unconditional and provided that the Pink Form of Renunciation, the China Strategic Option certificate(s) for the whole of your holding of China Strategic Options, or for the number of China Strategic Options in respect of which you accept the Option Offer, are completed and in good order and have been received by the company secretary of China Strategic before the close of the Option Offer, cheques in respect of the relevant consideration will be posted at the risk of accepting China Strategic Optionholder within ten days of the later of:

- the date on which the Option Offer becomes or is declared unconditional; and
- the receipt of all the relevant documents by the company secretary of China Strategic to render the acceptance under the Option Offer complete and valid.

If the China Strategic Option certificate(s) of your China Strategic Options is/are, lost and you wish to accept the Option Offer, you should nevertheless complete and sign the Pink Form of Renunciation and deliver it to the company secretary of China Strategic at 8th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong and arrange for the relevant China Strategic Option certificate(s) to be forwarded to the company secretary of China Strategic at the office of China Strategic at 8th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong as soon as possible thereafter accompanied by a letter stating that you have lost one or more of your China Strategic Option certificate(s).

The cash consideration due will not be despatched until the relevant China Strategic Option certificate and, or a satisfactory indemnity or indemnities in respect of any lost China Strategic Option certificate has been received by the Company secretary of China Strategic and otherwise subject to the terms and conditions of the Option Offer.

No acknowledgement of receipt of any Pink Form of Renunciation, China Strategic Option certificate, or, transfer receipt and, or, any other documents of title will be given.

If the Offers lapse, the China Strategic Options certificates and other relevant documents tendered to the Option Offer will be posted to those who accepted the Option Offer within 10 days of the lapse of the Offers.

2. ACCEPTANCE PERIOD AND REVISIONS

The Offerors reserve the right to revise or extend the Offers after the despatch of this document.

Unless the Offers have previously been extended or revised or the Offers have previously become or been declared unconditional, the Offers will close and acceptance must be received by 4:00 p.m. on the closing date.

If the Offers become or are declared unconditional, the Offers will remain open for acceptance for not less than fourteen days from the date on which the Offerors announce that the Offers have become or are declared unconditional.

FURTHER TERMS OF THE OFFERS

The Offers shall not be capable of:

- becoming or being declared unconditional after the expiry of 60 days from the date of posting of this document; or
- being kept open after that date, provided that the Offerors reserve the right, with the permission of the Executive under the Takeovers Code, to extend the Offers to a later time and, or, date.

If the Share Offer or the Warrant Offer or the Option Offer is revised, it will remain open for acceptance for a period of not less than 14 days following the date on which the revised offer document is posted. The benefit of any revision of the Share Offer or the Warrant Offer or the Option Offer will be available to any China Strategic Shareholder whether or not he or she has previously accepted the Share Offer or any China Strategic Warrantholder whether or not he or she has previously accepted the Warrant Offer or any China Strategic Optionholder who has previously accepted the Option Offer. The execution by or on behalf of any China Strategic Shareholder or China Strategic Warrantholder or China Strategic Optionholder who has previously accepted the Share Offer or the Warrant Offer or the Option Offer under any White Form of Acceptance or Yellow Form of Acceptance or Pink Form of Renunciation shall be deemed to constitute acceptance of the revised Share Offer or Warrant Offer or Option Offer, unless such China Strategic Shareholder or China Strategic Warrantholder or China Strategic Optionholder becomes entitled to withdraw his acceptance and duly does so.

3. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the closing date (or such later time and/or date as the Executive agrees), the Offerors shall inform the Executive and the Stock Exchange that the Offers have been closed or extended and shall publish an announcement on the Stock Exchange's website by 7:00 p.m. on the closing date of Offers stating whether the Offers have been revised or extended, has expired or has become or been declared unconditionally. The Offerors shall republish such announcement in newspapers on the next business day to that effect. The announcement shall state the total number of the China Strategic Shares:
 - for which acceptances of the Offers have been received;
 - held, controlled or directed by the Offerors or persons acting in concert with them before the Offer Period; and
 - acquired or agreed to be acquired during the Offer Period by the Offerors or any persons acting in concert with them.

The announcement shall include the details of voting rights, rights over China Strategic Shares, derivatives and arrangements as required by Rule 3.5(c), (d) and (f) of the Takeovers Code. The announcement shall also specify the percentages of the relevant classes of share capital, and the percentages of voting rights, represented by these numbers.

If the Offerors is unable to comply with any of the requirements of Rule 19 of the Takeovers Code, the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements of Rule 19 can be met.

- (b) In computing the number of China Strategic Shares, China Strategic Warrants and the China Strategic Options represented by acceptances. Acceptances which are not in all respects in order or that are subject to verification will be separately stated.
- (c) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offers, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments thereon, must be published as a paid announcement in at least one leading English language newspaper and one leading Chinese language newspaper being in each case a newspaper which is published daily and circulated generally in Hong Kong.

4. RIGHT OF WITHDRAWAL

An acceptor of the Offers is entitled to withdraw his acceptance after 21 days from the first closing date, if the Offers have not by then become unconditional. Such entitlement to withdraw shall be exercisable until the Offers become unconditional. Save as aforesaid, acceptances shall be irrevocable and cannot be withdrawn except in circumstances set out in Rule 19.2 of the Takeovers Code, which provides that if the Offerors are unable to comply with any of the requirements of making announcements relating to the Offers under the Takeovers Code as described under the section headed "Announcements" above, the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

5. GENERAL

- (a) All communications, notices, forms of acceptance, certificates of China Strategic Shares, China Strategic Warrants and China Strategic Options, transfer receipts, other documents of title and remittances to be delivered by or sent to or from China Strategic Shareholders, China Strategic Warrantholders and China Strategic Optionholder will be delivered by or sent to or from them, or their designated agents, at their own risk, and none of China Strategic, the Offerors, or any of their agents accepts any liability for any loss in postage or any other liabilities that may arise as a result.
- (b) The provisions set out in the accompanying form(s) of acceptance and form of renunciation form part of the Offers.
- (c) The accidental omission to despatch this document and/or form(s) of acceptance and/or form of renunciation or any of them to any person to whom the Offers is made will not invalidate the Offers in any way.
- (d) The Offers and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the form(s) of acceptance and form of renunciation will constitute an authority to any director of China Strategic or such person or persons as China Strategic may direct to complete and execute any document on behalf of the person accepting the Share Offer and/or the Warrant Offer and/or Option Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offerors or such person or persons as it may direct the China Strategic Shares and/or China Strategic Warrants and/or China Strategic Options in respect of which such person has accepted the Offers.
- (f) Acceptance of the Share Offer and/or the Warrant Offer and/or Option Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offerors that the China Strategic Shares and/or the China Strategic Warrants and/or China Strategic Options acquired under the Offers are sold by any such person or persons free from all third party rights, liens, claims, charges, equities and encumbrances and together with all rights attaching thereto including the rights to receive all future dividends or other distributions declared, paid or made on the China Strategic Shares and/or the China Strategic Warrants and/or China Strategic Options after the closing of the Offers.
- (g) Pursuant to the Offers, seller's ad valorem stamp duty in connection with the acceptance of the Share Offer and/or Warrant Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the consideration which the accepting China Strategic Shareholder and/or China Strategic Warrantholders will become liable to pay and will be deducted from the consideration payable on acceptance of the Share Offer and/or Warrant Offer and will be paid by the Offerors.
- (h) The Offerors do not intend to exercise any right to acquire compulsorily any China Strategic Shares not acquired under the Offers after the Offers have closed but reserve the right to do so.
- (i) References to the Offers in this document and in the form(s) of acceptance and form of renunciation shall include any revision and/or extension thereof.

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FURTHER TERMS OF THE OFFERS

- (j) The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be affected by the laws of the relevant jurisdictions. China Strategic Shareholders, China Strategic Warrantholders and China Strategic Optionholder who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offers to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdiction.
- (k) The consideration payable to any China Strategic Shareholders, China Strategic Warrantholders and China Strategic Optionholder under the Offers, after deduction of respective seller's ad valorem stamp duty, will be settled by posting remittances in accordance with the terms of the Offers and without regard to any lien, right of set-off, counterclaim or other analogous rights to which the Offerors may otherwise be, or claim to be, entitled against such China Strategic Shareholders, China Strategic Warrantholders and China Strategic Optionholder.
- (1) The English text of this document and the form(s) of acceptance and the form of renunciation shall prevail over the Chinese text for the purpose of interpretation.

1. RESPONSIBILITY STATEMENT

- (a) The issue of this document has been approved by the directors of Hanny, Paul Y. ITC and the Offerors.
- (b) This document includes particulars given in compliance with the SFO and the Takeovers Code for the purpose of giving information with regard to the Offerors and the Offers.
- (c) The directors of the Offerors accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquires, that to the best of his knowledge and belief, opinions expressed in this document have been arrived at after due and careful consideration and there are no other facts not contained in this document, the omission of which would make any statement in this document misleading.
- (d) The information relating to China Strategic Group and their respective shareholders included in this document has been extracted from information publicly available. The only responsibility accepted by the directors of the Offerors in respect of the information relating to China Strategic has been to ensure that it has been correctly extracted and the extractions are not misleading and based on the information publicly available.

2. MARKET PRICES

China Strategic Shares

The table below shows the closing prices of the China Strategic Shares quoted on the Stock Exchange on the last trading day for each of the six calendar months immediately preceding the date of the Joint Announcement, on the last trading day immediately preceding the date of the Joint Announcement and the last trading day immediately preceding the date of the Supplemental Announcement and on the Latest Practicable Date:

Date	Closing price per China Strategic Share HK \$
2002	
31st December	0.100
2003	
30th January	0.090
28th February	0.094
31st March	0.090
30th April	0.090
30th May	0.080
27th June	0.090
10th July	0.145
Latest Practicable Date	0.145

The highest and lowest closing price per China Strategic Share recorded on the Stock Exchange during the Relevant Period were HK\$0.145 and HK\$0.080 respectively.

China Strategic Warrants

The table below shows the closing prices of the China Strategic Warrants quoted on the Stock Exchange on the last trading day for each of the six calendar months immediately preceding the date of the Joint Announcement, on the last trading day immediately preceding the date of the Joint Announcement and the last trading date immediately preceding the date of the Supplemental Announcement and on the Latest Practicable Date:

Date	Closing price per China Strategic Warrant HK \$
2002	
31st December	0.01
2003	
30th January	0.01
28th February	0.01
31st March	0.01
30th April	0.01
30th May	0.01
27th June	0.01
10th July	0.02
Latest Practicable Date	0.02

The highest and lowest closing price per China Strategic Warrant recorded on the Stock Exchange during the Relevant Period were HK\$0.02 and HK\$0.01 respectively.

3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, Hanny and Paul Y. - ITC, through the Offerors and their concert parties, are interested in 291,675,000 China Strategic Shares, representing an aggregate interest of approximately 35.16% of the existing issued share capital of China Strategic.

In addition, Hanny and Paul Y. - ITC, through the Offerors, are interested in 48,264,000 China Strategic Warrants, collectively representing approximately 29.10% of the outstanding China Strategic Warrants. Based on the subscription price of HK\$0.16 per China Strategic Share, 48,264,000 new China Strategic Shares will be issued upon full conversion of China Strategic Warrants by the Offerors, representing 5.82% of the existing total issued China Strategic Shares and about 5.50% of the total issued China Strategic Shares as enlarged by the issue of such new China Strategic Shares.

As at the Latest Practicable Date, Dr. Charles Chan indirectly holds approximately 34.82% of the issued ordinary share capital of ITC Corporation and he also directly holds approximately 1.06% of the issued share capital of Paul Y. - ITC. In addition, 650,000 China Strategic Shares, representing approximately 0.08% of the issued share capital of China Strategic, and 40,000 China Strategic Shares, representing approximately 0.005% of the issued share capital of China Strategic, are held respectively by Ms. Ma Wai Man, Catherine, an independent non-executive director of Hanny and Ms. Lee Li, the spouse of a director of Hanny's subsidiary.

By virtue of his being the controlling shareholder of ITC Corporation, Dr. Charles Chan is deemed to be interested in 145,492,500 China Strategic Shares and 24,132,000 China Strategic Warrants held by Paul Y. - ITC Group.

Save as stated above, the Offerors, directors of the Offerors and persons acting in concert with the Offerors are not interested in any securities of China Strategic.

Save for the 290,985,000 China Strategic Shares and any China Strategic Shares to be acquired by the Offerors under the Share Offer or otherwise during the Offer Period pledged by the Offerors to Kingsway SW Securities to secure the loan facility granted to the Offerors by Kingsway SW Securities and the 49,665,000 China Strategic Shares purchased by Kingsway SW Securities on behalf of the Offerors on 9 July 2003, as at the Latest Practicable Date, Kingsway Capital and Kingsway SW Securities do not have any beneficial interest in the China Strategic Shares or China Strategic Warrants and have not dealt in any, China Strategic Shares or China Strategic Warrants as principal during the Relevant Period.

4. DEALINGS IN CHINA STRATEGIC SHARES AND CHINA STRATEGIC WARRANTS

Save for the acquisitions by the Offerors of 49,665,000 China Strategic Shares on the market at a price of HK\$0.10 per share made on 9 July 2003, neither the Offerors nor any of the parties acting in concert with them and the directors of the Offerors have dealt in the China Strategic Shares or China Strategic Warrants or other securities of China Strategic during the Relevant Period.

5. CONSENT

Kingsway SW Securities is a licensed corporation under the SFO and it has given and have not withdrawn its written consent to the issue of this document with the inclusion herein of its letter and references to its names, in the form and context in which it appears herein.

6. GENERAL

- (a) Save for Ms. Chan Ling, Eva (the holder of China Strategic Options) has undertaken to the Offerors that she will accept the Option Offer, as at the Latest Practicable Date, no person who own or control China Strategic Shares and/or China Strategic Warrants had irrevocably committed himself or the intention, prior to the posting of this document, to accept or reject the Offers. The abovementioned undertaking by Ms. Chan Ling, Eva will be ceased if the Offers lapse.
 - Save for the China Strategic Options, Ms. Chan Ling, Eva was not interested and has not dealt in any China Strategic Shares or China Strategic Warrants or other securities of China Strategic during the Relevant Period.
- (b) As at the Latest Practicable Date, no person had any arrangement of the kind referred to in Note 8 of Rule 22 of the Takeovers Code with the Offerors or with any party acting in concert with the Offerors.
- (c) There is no payment or other benefit to be made or given to any directors of China Strategic or any of its subsidiary as compensation for loss of office or otherwise in connection with the Offers.
- (d) As at the Latest Practicable Date, there are no agreements, arrangements or understandings (including any compensation arrangement) exists between the Offerors or their concert parties and any of the directors and recent directors of China Strategic or China Strategic Shareholders and recent China Strategic Shareholders, China Strategic Warrantholders and recent China Strategic Optionholder and recent China Strategic Optionholders or any person having any connection with or dependence upon the Offers.
- (e) As at the Latest Practicable Date, there was no agreement, arrangement or understanding between the Offerors and any other persons for the transfer of the beneficial interests in China Strategic Shares and China Strategic Warrants acquired by the Offerors under the Offers other than the loan and mortgage agreements entered into between the Offerors and Kingsway SW Securities, pursuant to which the Offerors agreed to pledge their 290,985,000 China Strategic Shares beneficially owned by the Offerors and any China Strategic Shares to be acquired by the Offerors under Share Offer or otherwise during the Offer Period to Kingsway SW Securities.

- (f) ITC Corporation is the controlling shareholder of Paul Y. ITC and substantial shareholder of Hanny. The directors of ITC Corporation are Dr. Charles Chan, Mr. Lau Ko Yuen, Tom, Ms. Chau Mei Wah, Rosanna, Mr. Chan Kwok Hung, Mr. Chan Fut Yan, Mr. Wong Kun To, Mr. Cheung Hon Kit, Mr. Lai, Dominic and Mr. Chuck, Winston Calptor. Dr. Charles Chan is the controlling shareholder of ITC Corporation.
- (g) The registered office of ITC Corporation is at Clarendon House, Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 33rd Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (h) The address of Dr. Charles Chan is at 33rd Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (i) Calisan Developments Limited is an indirect wholly-owned subsidiary of Paul Y. ITC. The directors of Paul Y. ITC are Dr. Charles Chan, Mr. Lau Ko Yuen, Tom, Mr. Chan Fut Yan, Mr. Wong Wing Hoo, Billy, Ms. Chau Mei Wah, Rosanna, Mr. Cheung Hon Kit, Mr. Law Man Wah, Conrad, Mr. Lee Hon Chiu, Mr. Cheung Ting Kau, Vincent and Mr. Kwok Shiu Keung, Ernest.
- (j) The registered office of Paul Y. ITC is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (k) Well Orient Limited is an indirect wholly-owned subsidiary of Hanny. The directors of Hanny are Dr. Charles Chan, Dr. Allan Yap, Mr. Lui Siu Tsuen, Richard, Mr. Chan Kwok Hung, Mr. Fok Kin Ning, Canning, Ms. Shih Edith (alternate to Mr. Fok Kin Ning, Canning), Mr. Ip Tak Chuen, Edmond, Mr. Cheung Hon Kit, Mr. Yuen Tin Fan, Francis, Mr. Tsang Link Carl, Brian, Ms. Ma Wai Man, Catherine and Mr. Kwok Ka Lap, Alva.
- (1) The registered office of Hanny is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 8th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (m) The registered office of Calisan Developments Limited is at P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands. The correspondence address in Hong Kong of Calisan Developments Limited is at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (n) The directors of Calisan Developments Limited are Mr. Lau Ko Yuen, Tom, Ms. Chau Mei Wah, Rosanna and Mr. Chan Fut Yan.
- (o) The registered office of Well Orient Limited is at 8th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (p) The directors of Well Orient Limited are Dr. Allan Yap and Mr. Lui Siu Tsuen, Richard.
- (q) The address of Kingsway Capital, the financial advisers to Hanny and Paul Y. ITC, is at 5th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong.
- (r) The address of Kingsway SW Securities is at 5th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong.
- (s) The English text of this document, the forms of acceptance and form of renunciation shall prevail over the Chinese text.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of the Offerors during normal business hours while the Offers remain open for acceptance;

- (a) the memorandum of association and articles of association of the Offerors;
- (b) the Joint Announcement and Supplemental Announcement;
- (c) the letter from Kingsway SW Securities, the text of which is set out on pages 5 to 14 of this document; and
- (d) the letter of consent from Kingsway SW Securities referred to in this Appendix.
- (e) the undertaking by Ms. Chan Ling, Eva referred to in this Appendix.

此乃要件 請即處理

香港聯合交易所有限公司對本文件之內容概不負責,對其準確性或完整性亦不發表任何聲明,並明確 表示概不就因本文件全部或任何部份內容而產生或因依賴該等內容而引致之任何損失承擔任何責任。

閣下如對本文件任何方面或應採取之行動有任何疑問,應諮詢 閣下之持牌證券交易商、銀行經理、 律師、專業會計師或其他專業顧問。

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HANNY HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)



PAUL Y. - ITC CONSTRUCTION **HOLDINGS LIMITED**

(錦 興 集 團 有 限 公 司) (保 華 德 祥 建 築 集 團 有 限 公 司)

(於百慕達註冊成立之有限公司)



滙富証券有限公司

代 表

Calisan Developments Limited 及 威 倫 有 限 公 司 (分別為保華徳祥建築集團有限公司 及錦興集團有限公司 之間接全資附屬公司)

提出強制性有條件現金收購建議, 收購中策全部已發行股份及尚未行使中策認股權證, (收購人及與彼等一致行動人士 現時擁有之中策股份及中策認股權證除外), 及註銷所有尚未行使中策購股權

> 錦興集團有限公司及 保華德祥建築集團有限公司之財務顧問



滙富融資有限公司

本文件第5至第14頁載列載有(其中包括)該等收購建議之條款詳情之滙富証券函件。

接納該等收購建議之手續載於本文件第13至14頁及附錄一與隨附之有關接納表格及放棄表格內。接 納股份收購建議與認股權證收購建議之文件及接納購股權收購建議之文件,無論如何最遲須於二零 零三年八月二十六日下午四時正,或由收購人決定及公佈之較後時間及或日期之前,送交標準證券 登記有限公司(地址為香港灣仔告士打道56號東亞銀行港灣中心地下)(就股份收購建議及認股權證收 購建議)及中策之公司秘書(地址為香港九龍觀塘鴻圖道51號保華企業中心8樓中策辦公室)(就購股權 收購建議),方為有效。

二零零三年七月二十九日

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預期時間表

- 根據收購守則,中策須於寄發本文件後14日內,將被收購人文件寄予中策股東、中策認股權證持有人及中策購股權持有人(除非獲執行理事同意協定一個較後日期)。
 - 倘未能根據收購守則由二零零三年七月二十九日起計14日內寄發被收購人文件,則收購人擬按 照延期寄發被收購人文件所涉及之營業日之相同日數,將收購建議期間延長。
- 2. 根據收購守則,倘於寄發本文件日期後始將被收購人文件寄出,則收購人必須於寄發本文件日期後最少28日內維持接受接納該等收購建議。雖然收購人無意延長該等收購建議,惟彼等保留延長該等收購建議之權利。
- 3. 除非收購人根據收購守則修訂或延長該等收購建議之可供接納期間,否則該等收購建議將會於 二零零三年八月二十六日星期二截止。於該等收購建議截止後,將會於截止日期下午七時正前 在聯交所網站上刊登該等收購建議之結果公佈,並將會於二零零三年八月二十七日星期三於報 章上再次刊登。
- 4. 收購人將於該等收購建議已成為無條件時發表公佈。根據收購守則,將於該等收購建議宣佈成 為無條件後最少14日內維持接受接納該等收購建議。
- 5. 根據收購守則,除非該等收購建議已於之前成為無條件,否則於由寄發本文件日期(即二零零三年九月二十六日)起計之60日期間屆滿後,不得接受接納該等收購建議。
- 6. 根據該等收購建議交出之中策股份、中策認股權證及中策購股權之應付代價,分別將會於過戶登記處或中策(視情況而定)接獲接受該等收購建議而交出之一切所需填妥及有效之文件之日期及該等收購建議成為或宣佈成為無條件之日期兩者中之較後日期後十日內支付。請參閱本文件第13至第14頁滙富証券函件中「接納及付款」一段。

本文件所載之所有時間均指香港時間。

釋 義

在本文件內,除文義另有所指外,下列詞語具有以下涵義:

「聯繫人」 指 具有上市規則所賦予之涵義

「中央結算系統」 指 由香港結算設立及運作之中央結算及交收系統

[中策] 指 中策集團有限公司,於香港註冊成立之有限公司,其

證券於聯交所上市

「中策集團」 指 中策及其附屬公司

「中策購股權」 指 中策根據於一九九二年七月二十日採納之購股權計劃

所授出之購股權

「中策購股權持有人」 指 中策購股權之持有人

「中策股份」 指 中策股本中每股面值0.10港元之股份

「中策股東」 指 中策股份之持有人

「中策認股權證」 指 中策之認股權證,附帶權利可由二零零二年八月二十

九日起至二零零三年十二月三十一日止(包括該日),隋時以認購價每股中策股份0.16港元,認購

165,893,682股中策股份

「中策認股權證持有人」 指 中策認股權證之持有人

「陳國強博士」 指 陳國強博士,德祥企業、錦興、保華德祥及中策之主

席兼執行董事

「執行理事」 指 證監會企業融資部之執行理事或由執行理事委派之任

何代表

「錦興」 指 錦興集團有限公司,於百慕達註冊成立之有限公司,

其股份於聯交所上市

「錦興集團」 指 錦興及其附屬公司

「香港」 指 中華人民共和國香港特別行政區

「香港結算」 指 香港中央結算有限公司

「獨立董事委員會」 指 中策董事會將委任之中策獨立董事委員會,以向獨立

中策股東、獨立中策認股權證持有人及中策購股權持

有人就該等收購建議提供意見

「獨立中策股東」 指 收購人及彼等之一致行動人士以外之中策股東

「獨立中策認股權證 指 收購人及彼等之一致行動人士以外之中策認股權證持

持有人」 有人

「獨立第三方」	指	與中策或其任何附屬公司之董事、行政總裁或主要股 東或彼等之任何聯繫人概無關連或並非與上述人士一 致行動之人士
「德祥企業」	指	德祥企業集團有限公司,於百慕達註冊成立之有限公司,其證券於聯交所上市
「德祥企業集團」	指	德祥企業及其附屬公司
「聯合公佈」	指	德祥企業、錦興、保華德祥及中策於二零零三年七月 八日就該等收購建議作出之聯合公佈
「滙富融資」	指	滙富融資有限公司,滙富証券之同集團附屬公司,為 持牌法團,並為錦興及保華德祥就該等收購建議之財 務顧問
「滙富証券」	指	滙富証券有限公司,滙富融資之同集團附屬公司,為 持牌法團
「最後實際可行日期」	指	二零零三年七月二十六日,即本文件付印前為確認本 文件所載若干資料之最後實際可行日期
「持牌法團」	指	屬於證券及期貨條例「持牌法團」所界定之人士
「上市規則」	指	聯交所之證券上市規則
「收購建議期間」	指	由二零零三年七月八日星期二(即刊登載列(其中包括) 該等收購建議之詳情之聯合公佈之日)起至(a)該等收購 建議截止接納之日或(b)該等收購建議作廢之日(兩者以 較遲者為準)
「被收購人文件」	指	根據收購守則之條文,中策將予刊發予中策股東、中策認股權證持有人及中策購股權持有人之回應文件,載有(其中包括)獨立董事委員會就該等收購建議之推薦建議及獨立財務顧問就該等收購建議之意見,並預期由本文件刊發日期起計14日內寄發
「收購人」	指	Calisan Developments Limited及威倫有限公司,分別 為保華德祥及錦興之間接全資附屬公司
「該等收購建議」	指	股份收購建議、認股權證收購建議及購股權收購建議
「購股權收購建議」	指	根據本文件及粉紅色放棄表格所載之條款及條件,以 每份中策購股權0.001港元之價格提出強制性有條件現 金收購建議,以註銷所有尚未行使中策購股權
「保華德祥」	指	保華德祥建築集團有限公司,於百慕達註冊成立之有 限公司,其證券於聯交所上市

		釋 義
「保華德祥集團」	指	保華德祥及其附屬公司
「粉紅色放棄表格」	指	本文件隨付之購股權收購建議之粉紅色放棄及接納表格
「中國」	指	中華人民共和國,就本文件而言,不包括香港、中華人民共和國澳門特別行政區及台灣
「過戶登記處」	指	中策之股份及認股權證過戶登記處,標準證券登記有限公司,地址為香港灣仔告士打道56號東亞銀行港灣中心地下
「有關期間」	指	由聯合公佈刊發日期前六個月之日期起計直至最後實際可行日期為止之期間
「證監會」	指	證券及期貨事務監察委員會
「證券及期貨條例」	指	香港法例第571章證券及期貨條例
「股份收購建議」	指	根據本文件及白色接納表格所載之條款及條件,以每股中策股份0.139港元之價格提出強制性有條件現金收購建議,以收購中策之全部已發行股份(現時由收購人及彼等之一致行動人士擁有之中策股份除外)
「聯交所」	指	香港聯合交易所有限公司
「補充公佈」	指	德祥企業、錦興、保華德祥及中策於二零零三年七月 二十一日就該等收購建議聯合發表之公佈
「收購守則」	指	香港公司收購及合併守則
「認股權證收購建議」	指	根據本文件及黃色接納表格所載之條款及條件,以每份中策認股權證0.001 港元之價格提出強制性有條件現金收購建議,以收購全部尚未行使之中策認股權證(現時由收購人及彼等之一致行動人士擁有之中策認股權證除外)
「白色接納表格」	指	本文件隨付之股份收購建議之白色接納及過戶表格
「黄色接納表格」	指	本文件隨付之認股權證收購建議之黃色接納及過戶表 格
「港元」	指	香港法定貨幣港元

Kingsway Group

香港中環夏懇道10號和記大廈5樓

敬啟者:



滙富証券有限公司代表
收購人
(分別為錦興集團有限公司及
保華德祥建築集團有限公司

是趙強制性有條件現金收購建議,
投購中策全部已發行股份及尚未行使中策認股權證,
(收購人及與彼等一致行動人士
現時擁有之中策股份及中策認股權證除外),

緒言

本函件提述德祥企業、錦興、保華德祥及中策於二零零三年七月八日就該等收購建議發表之聯合公佈,據此,收購人宣佈提出自願有條件現金收購建議,分別按每股中策股份0.10港元及每份中策認股權證0.001港元之價格收購中策股份及中策認股權證(收購人及彼等之一致行動人士已擁有之中策股份及中策認股權證除外),以將收購人於中策之股權總額,增至佔中策已發行股本逾50%,滙富証券已獲收購人委任,按不高於每股中策股份0.10港元之價格於市場上收購中策股份。於二零零三年七月九日,滙富証券(代表收購人)按每股中策股份0.10港元之價格,於公開市場上購買49,665,000股中策股份,佔中策已發行股本5.98%。於二零零三年七月九日購買股份後,收購人及彼等之一致行動人士合共擁有291,675,000股中策股份,佔中策已發行股本約35.16%,因此,根據收購守則第26條,於自願收購建議之收購建議期間內觸發強制性收購建議。

於二零零三年七月二十一日,收購人已知會中策,股份收購建議之收購價將會由每股中策股份0.10港元增至0.139港元。收購人將會透過滙富証券提出一項強制性有條件現金收購建議,分別以每股中策股份0.139港元及每份中策認股權證0.001港元之價格收購中策股份及中策認股權證(由收購人及與收購人一致行動之人士現時擁有之中策股份及中策認股權證除外),及以按每份中策購股權0.001港元之價格註銷所有尚未行使中策購股權。

該等收購建議須待收購人已接獲中策股份附帶之投票權,連同於收購建議期間前或於 收購建議期間已收購或同意將予收購之任何投票權之接納,將導致收購人及與彼等一致行 動人士合共持有超過50%之中策股份所附帶之投票權後,方可作實。

本函件載述該等收購建議之條款及有關收購人之資料。接納該等收購建議時,須按照本文件附錄一、本文件隨付之白色接納表格、黃色接納表格及粉紅色放棄表格所載列之條款。根據收購守則,被收購人文件預期將由本文件刊發日期起計14日內寄發予 閣下,被收購人文件將會載有將予組成以就該等收購建議為 閣下提供意見之獨立董事委員會函件及獨立財務顧問就各方面之意見函件。務請 閣下先等候收取被收購人文件,並於細閱被收購人文件之內容後,始行決定是否接納該等收購建議。

該等收購建議

滙富証券根據收購守則,代表收購人提出一項有條件現金收購建議,以收購中策全部 已發行股份及尚未行使中策認股權證(收購人及與彼等一致行動人士已擁有之中策股份及中 策認股權證除外),及以註銷所有尚未行使中策購股權,乃根據以下之基準:

股份收購建議

每股中策股份0.139港元之價格,較:

- 於二零零三年六月二十七日(即緊接聯合公佈刊發日期前之最後一個交易日)在聯交所所報之收市價每股中策股份0.09港元溢價約54.44%;
- 一 於二零零三年七月十日(即緊接補充公佈刊發日期前之最後一個交易日)在聯交所 所報之收市價每股中策股份0.145港元折讓約4.14%;
- 直至二零零三年六月二十七日(包括該日)為止連續十個交易日在聯交所所報之平 均收市價每股中策股份0.089港元溢價約56.18%;
- 直至二零零三年七月十日(包括該日)為止連續十個交易日在聯交所所報之平均收 市價每股中策股份0.0985港元溢價約41.12%;
- 直至二零零三年六月二十七日(包括該日)為止連續三十個交易日在聯交所所報之 平均收市價每股中策股份0.086港元溢價約61.63%;
- 直至二零零三年七月十日(包括該日)為止連續三十個交易日在聯交所所報之平均 收市價每股中策股份0.0897港元溢價約54.96%;
- 直至二零零三年六月二十七日(包括該日)為止六個月期間在聯交所所報之平均收 市價每股中策股份0.09港元溢價約54.44%;
- 直至二零零三年七月十日(包括該日)為止六個月期間在聯交所所報之平均收市價每股中策股份0.0901港元溢價約54.27%;及
- 按照中策於二零零二年十二月三十一日之經審核賬目計算之每股中策股份資產淨值2.08港元折讓約93.32%。

認股權證收購建議

中策認股權證現時為價外,及將於二零零三年十二月三十一日後屆滿。因此,以0.001 港元提出收購每份中策認股權證。每份中策認股權證之作價0.001港元較:

- 一 於二零零三年七月十日(即緊接聯合公佈刊發日期前最後一個交易日)在聯交所所報之收市價每份中策認股權證0.02港元折讓約95.00%;
- 一 於截至二零零三年七月十日(包括該日)止連續十個交易日在聯交所所報之平均收 市價每份中策認股權證0.012港元折讓約91.67%

購股權收購建議

中策已向中策執行董事陳玲女士發行購股權,根據購股權計劃可以認購價每股中策股份3.145港元認購最多達75,000股中策股份。中策購股權現時為價外。此外,每股中策股份之價格大幅低於中策購股權之認購價,及該等中策購股權為不可出讓及不可轉讓。經計及上述因素後,根據收購守則,滙富証券代表收購人向該名中策購股權持有人提出收購建議,建議其交出中策購股權,藉此以0.001港元註銷每份尚未行使之中策購股權。於二零零三年七月八日,陳玲女士已向收購人承諾,其於收購建議期間內將不會行使中策購股權。

總代價

於最後實際可行日期,收購人及與彼等之一致行動人士合共擁有291,675,000股中策股份,佔中策已發行股本35.16%之權益。假設全面接納該等收購建議,收購人應支付之現金代價,將約為74,900,000港元,以收購價每股中策股份0.139港元、每份中策認股權證0.001港元 共中分別約74,800,000港元、117,630港元及75港元將分別用作收購中策股份、中策認股權證及中策購股權。

該等收購建議之條件

股份收購建議須待收購人已接獲中策股份附帶之投票權,連同於該等收購建議前或於該等收購建議期間已收購或同意將予收購之任何投票權之接納,將導致收購人及與彼等一致行動人士合共持有超過50%之中策股份所附帶之投票權後,方可作實。

認股權證收購建議及購股權收購建議須待股份收購建議成為或宣佈成為無條件後,方告作實。

充裕之財務資源

滙富融資已獲收購人委任就該等收購建議為彼等提供意見,及滙富融資信納收購人可從滙富証券批予收購人之貸款融資額60,000,000港元,獲得充裕財務資源,而餘額14,900,000港元將會以收購人之內部資源撥資,令收購人可支付全面接納該等收購建議。根

據收購人與滙富証券訂立之貸款及抵押協議,收購人同意將彼等實益擁有之290,985,000股中策股份及收購人於收購建議期間根據股份收購建議或其他方式將予收購之任何中策股份抵押予滙富証券,以為滙富証券授予收購人之貸款融資提供擔保。

接納之最後期限

接納之最後期限為二零零三年八月二十六日星期二下午四時正。收購人無意延長該等收購建議之最後接納期限,惟會保留有關權利。

倘被收購人文件未能根據收購守則之規定由二零零三年七月二十九日起計十四日內寄發,收購人擬按延期寄發被收購人文件所涉及之營業日之相同日數,將收購建議期間延長。

接納該等收購建議之影響

於接納該等收購建議及於該等收購建議成為或宣佈成為無條件後,中策股東或中策認股權證持有人將會在不附帶一切留置權、索償及產權負擔之情況下,將彼等之中策股份或中策認股權證,連同所有隨付權利一併出售,包括收取於該等收購建議截止後所宣派、作出或支付之一切股息及分派之權利,而中策購股權持有人將會交出有關之中策購股權供註銷。倘該等收購建議於當日未能成為無條件,接納該等收購建議之人士有權由首次截止日期起計21日後撤回其接納。撤回接納之該項權力可於該等收購建議成為無條件前予以行使。除上述者外,接納該等收購建議為不可撤回及不能撤銷,惟在收購守則所准許之情況下除外。

印花税

根據該等收購建議,接納股份收購建議及/或認股權證收購建議須支付之賣方從價印花稅(每1,000港元須繳納1.00港元,不足1,000港元之代價亦須繳納1.00港元)將由接納股份收購建議及/或認股權證收購建議之中策股東及/或中策認股權證持有人支付,將從接納股份收購建議及/或認股權證收購建議應支付之代價中扣除,並由收購人支付。

買賣及持有中策股份及中策認股權證

在收購建議期間於二零零三年七月八日開始前,收購人各自擁有120,660,000股中策股份,相當於中策已發行股本約14.55%,或合共擁有241,320,000股中策股份之權益,相當於中策已發行股本29.10%。於二零零三年七月九日,收購人已共同於市場上購買合共49,665,000股中策股份並將該等股份平分,相當於中策已發行股本約5.98%。於二零零三年七月九日購買股份後,收購人各自擁有145,492,500股中策股份之權益,相當於中策已發行股本約35.08%。

連同由收購人之一致行動人士(錦興之獨立非執行董事馬慧敏女士及錦興之附屬公司之一名董事之配偶李礫女士)所持之690,000股中策股份,於最後實際可行日期,錦興及保華德祥透過收購人及彼等一致行動人士於291,675,000股中策股份中擁有權益,相當於中策已發行股本約35.16%。

除於二零零三年七月九日所作之購買外,於有關期間,收購人或任何與彼等一致行動 人士概無買賣中策股份或中策認股權證或其他中策證券。

滙 富 証 券 函 件

此外,錦興及保華德祥透過收購人,持有48,264,000份中策認股權證,合共相當於尚未行使中策認股權證約29.10%。按照認購價每股中策股份0.16港元計算,於收購人全面兑換中策認股權證後,將會發行48,264,000股新中策股份,相當於現有已發行中策股份總額約5.82%及經發行該等新中策股份擴大後之已發行中策股份總額約5.50%。

於最後實際可行日期,陳國強博士間接持有德祥企業已發行普通股股本約34.82%,彼亦直接持有保華德祥已發行股本約1.06%。此外,錦興之獨立非執行董事馬慧敏女士及錦興之附屬公司之一名董事之配偶李礫女士分別持有650,000股中策股份(佔中策已發行股本約0.08%)及40,000股中策股份(佔中策已發行股本約0.005%)。

鑑於陳國強博士為德祥企業之控股股東,彼被視為於由保華德祥集團持有之 145,492,500股中策股份及24,132,000份中策認股權證中擁有權益。由於德祥企業間接持有錦 興已發行普通股股本約28,26%,故陳國強博士為錦興之一致行動人士。

除上文所披露者外,陳國強博士及德祥企業、錦興及保華德祥之其他董事及彼等各自之一致行動人士並無持有任何中策股份及/或中策認股權證及/或中策購股權。

有關收購人之資料

有關Calisan Developments Limited及保華德祥之資料

Calisan Developments Limited為其中一名收購人,為於一九九一年五月二日在英屬處女群島註冊成立之有限公司,及為一家投資控股公司。於最後實際可行日期,Calisan Developments Limited直接持有145,492,500股中策股份(佔中策已發行股本約17.54%)及24,132,000份中策認股權證(佔全部尚未行使中策認股權證約14.55%)。Calisan Developments Limited為保華德祥之間接全資附屬公司。

保華德祥集團之主要業務包括建築、土木工程、專項工程、物業發展及投資,以及製造及買賣建築材料。其業務主要集中於香港和中國。德祥企業實益擁有保華德祥約64.46%權益。

有關威倫有限公司及錦興之資料

威倫有限公司為其中一名收購人,於二零零零年八月二十一日在香港註冊成立之有限公司,及為一家投資控股公司。於最後實際可行日期,威倫有限公司及其一致行動人士直接持有146,182,500股中策股份(佔中策已發行股本約17.62%)及24,132,000份中策認股權證(佔全部尚未行使中策認股權證約14.55%)。威倫有限公司為錦興之間接全資附屬公司。

錦興集團之主要業務包括買賣電腦相關產品及消費電子產品。錦興亦從事買賣證券及 投資資訊科技業務。德祥企業實益擁有錦興約28.26%權益。

收購人對中策之意向

中策之業務

中策為一家投資控股公司,其附屬公司主要從事輪胎製造、製造、零售及分銷中西藥及保健食品,以及投資基建項目業務。

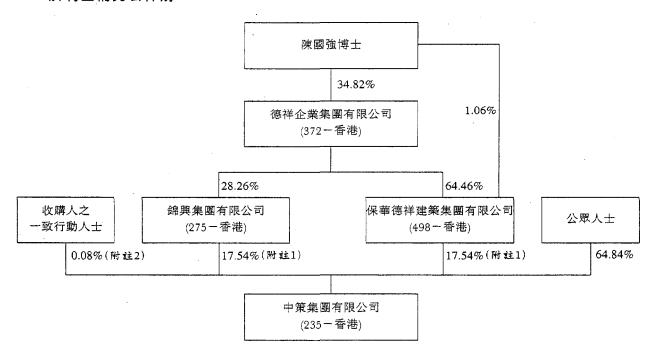
該等收購建議本身將不會導致中策集團或受中策控制之任何聯營公司之董事會、管理 層、業務或持續聘用中策僱員(包括董事)出現任何變動。

於該等收購建議完成後,收購人擬繼續中策集團之現有業務,收購人現時無意重新調配中策集團之固定資產。此外,收購人亦無意於緊隨該等收購建議完成後即時向中策集團注入任何資產或業務及/或出售任何中策集團資產或業務。

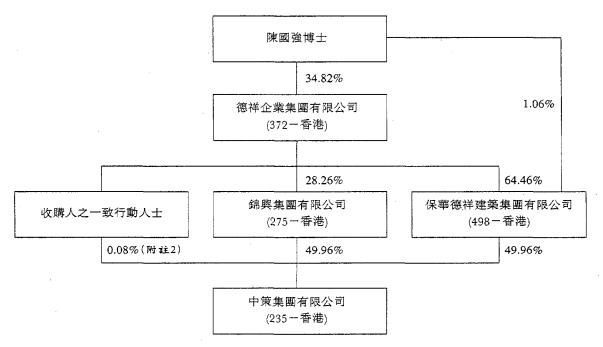
於該等收購建議期間將由滙富証券代表收購人收購之中策股份及中策認股權證,將以相等比例分派予收購人。為確保於該等收購建議後中策股份及中策認股權證不少於25%將由公眾人士持有,收購人將盡快減持彼等於中策之權益。於該等收購建議及減持後,中策將成為錦興及保華德祥之聯營公司。

下圖概列緊接刊登補充公佈前及於全面接納該等收購建議後,中策之股權架構:

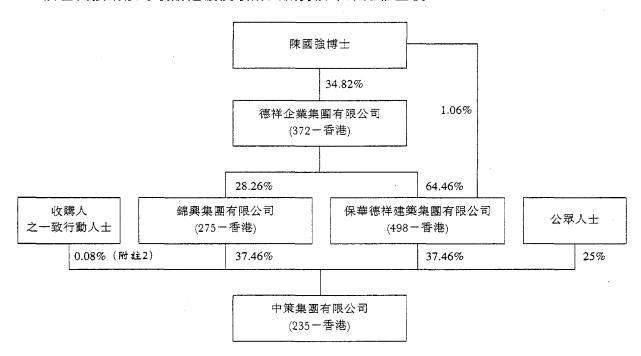
於刊登補充公佈前



全面接納該等收購建議後但於收購人減持於中策之權益前:



於全面接納該等收購建議及收購人減持於中策之權益後:



附註:

- 1. 在收購建議期間於二零零三年七月八日開始前,收購人擁有合共241,320,000股中策股份之權益,相當於中策已發行股本29.1%。於二零零三年七月九日,收購人已於市場上購買49,665,000股中策股份,相當於中策已發行股本之5.98%。於二零零三年七月九日購買股份後,各收購人擁有145,492,500股中策股份之權益,相當於中策已發行股本之17.54%。
- 2. 於最後實際可行日期,收購人之一致行動人士於690,000股中策股份中擁有權益,當中650,000股中策股份(相當於中策已發行股本約0.08%)及40,000股中策股份(相當於中策已發行股本約0.005%)分別由錦與之獨立非執行董事馬慧敏女士及錦興之附屬公司之一名董事之配偶李礫女士持有。

進行收購之原因

倘收購人透過在市場購買或透過接納股份收購建議而成功收購中策股份,收購人將可透過改善彼等應佔中策資產淨值,提升彼等於中策之投資,以及減低彼等於中策之平均投資成本。

中策為一家投資控股公司,其附屬公司主要從事輪胎製造、製造、零售及分銷中西藥及保健食品,以及投資基建項目。收購人認為該等收購建議可鞏固其與中策之聯繫,以及提升其在中國之形象。考慮到於近十年以來,中國經濟一直維持良好之推動力及中國人民之消費能力已逐步得到改善,收購人預期,中策於中國之投資及業務將會為收購人帶來長期財務利益。於該等收購建議前,由於錦興及保華德祥各自持有中策少於20%權益,故彼等概無於各自之財務報表中將中策列作聯營公司。於成功完成該等收購建議後,收購人將可確認中策為錦興及保華德祥集團之聯營公司,從而提升收購人之長期投資價值。

維持本公司之上市地位

收購人將不會行使強制收購權力。收購人現擬於該等收購建議截止後維持中策於聯交 所之上市地位。收購人及中策已向聯交所承諾,於該等收購建議截止後將會盡快採取適當 步驟,以確保公眾人士持有不少於25%之中策股份及中策認股權證。倘於該等收購建議截止 時,公眾人士所持有之中策股份及中策認股權證少於25%,收購人之董事現擬採取適當步 驟,可能包括於該等收購建議完成後一個月內,減持及將彼等於中策之權益配售予獨立第 三者。

聯交所已表明,將會密切監察中策股份及中策認股權證在聯交所買賣之情況。倘聯交 所相信:

- 中策股份及中策認股權證存在或可能存在虛假市場;或
- 公眾人士持有之中策股份及中策認股權證數量太少,不足以維持有秩序之市場, 則其將考慮行使酌情權,暫停中策股份及中策認股權證之買賣。

就此而言,須注意倘於該等收購建議完成後,中策股份及中策認股權證之公眾持股量不足,因此,中策股份及中策認股權證可能暫停買賣,直至達到足夠之公眾持股量為止。

只要中策仍維持上市公司地位,聯交所將會密切監察中策日後所有收購或出售資產。中策及其附屬公司進行任何收購或出售資產,將須受上市規則之條文規限。根據上市規則,聯交所可酌情要求中策就中策之建議收購及出售資產向中策股東刊發通函及發表公佈,不論建議收購及出售資產之規模大小,尤其是倘其建議收購及出售資產,導致中策偏離主要業務。聯交所有權根據上市規則,將中策之一系列收購及出售資產彙集處理,該等收購及出售資產可能導致中策被視為一名新上市申請人,並須受上市規則對新上市申請之規定所限制。

税項

倘中策股東、中策認股權證持有人及中策購股權持有人對接納該等收購建議之稅項含 義有任何疑問,建議彼等諮詢彼等各自之專業顧問。特此強調,滙富融資、滙富証券、收 購人或彼等各自之任何董事或任何參與該等收購建議之人士,概無因彼等接納該等收購建 議而須對任何人士之任何稅務影響或責任承擔責任。

接納之手續

股份收購建議及認股權證收購建議

如接納股份收購建議, 閣下應按照隨付之白色接納表格所印備之指示將表格填妥, 該等指示為股份收購建議之條款與條件之一部份。

如接納認股權證收購建議, 閣下應按照隨付之黃色接納表格所印備之指示將表格填 妥,該等指示為認股權證收購建議之條款與條件之一部份。

其後須將填妥之接納表格,連同不少於 閣下擬接納股份收購建議及/或認股權證收購建議之中策股份及/或中策認股權證數目之有關中策股票及/或中策認股權證證書及/或過戶收據及/或任何所有權文件(及/或就此而言所需之任何適當彌償保證或該等彌償保證),放進信封面註明「中策股份收購建議」及/或「中策認股權證收購建議」之信封內,並盡快以郵遞方式或親身送交標準證券登記有限公司(地址為香港灣仔告士打道56號東亞銀行港灣中心地下),惟在任何情況下不得遲於二零零三年八月二十六日星期二或收購人可能決定或公佈之較後日期下午四時正交回。概不會就接獲任何接納表格、中策股票及/或中策認股權證證書、過戶收據或其他所有權文件(及/或就此而言所需之任何適當彌償保證或該等彌償保證)發出任何收據。

購股權收購建議

如接納購股權收購建議, 閣下應按照隨付之粉紅色放棄表格所印備之指示將表格填妥,該等指示為購股權收購建議之條款與條件之一部份,並於其後將粉紅色放棄表格連同 閣下所持有之全部中策購股權,或 閣下接納購股權收購建議之中策購股權數目之有關中策購股權證書,放進信封面註明「中策購股權收購建議」之信封內,並盡快以郵遞方式或親身送交中策(地址為香港九龍觀塘鴻圖道51號保華企業中心8樓)送交中策之公司秘書,惟在任何情況下不得遲於二零零三年八月二十六日星期二下午四時正交回。概不會就接獲粉紅色放棄表格及中策購股權證書發出任何收據。

務請 閣下留意本文件附錄一及隨付之白色接納表格、黃色接納表格及粉紅色放棄表格所載有關接納手續之其他詳情。登記地址位於香港以外地區之中策股東、中策認股權證持有人及中策購股權持有人亦須留意本文件附錄一「一般資料」一節。

支付代價

就根據該等收購建議交出之中策股份、中策認股權證及中策購股權應付之代價股款,將於該等收購建議成為或宣佈成為無條件之日期及過戶登記處(就股份收購建議及認股權證收購建議)或中策(就購股權收購建議)接獲表示該等收購建議之接納已完成及屬有效之所有有關文件之日期兩者中之較後日期起計十日內寄出。倘該等收購建議失效,則中策股票及/或中策認股權證證書及/或中策購股權證書,或就該等收購建議交出之其他有關文件,將由該等收購建議失效起計十日內郵寄予接納該等收購建議之該等人士。

該等收購建議之其他條款

該等收購建議之其他條款及條件,包括接納之手續及該等收購建議之可供接納期間, 載於本文件第15至第21頁附錄一及隨付之白色接納表格、黃色接納表格及粉紅色放棄表格。

其他資料

務請 閣下垂注載於各附錄(為本文件之一部份)所載之其他資料。

此致

列位獨立中策股東、 獨立中策認股權證持有人 及中策購股權持有人 台照

二零零三年七月二十九日

1. 接納手續

閣下如決定接納股份收購建議及/或認股權證收購建議,應根據隨附之有關接納表格所載之規定,就 閣下所持之中策股份及/或中策認股權證(視情況而定)填妥及簽署有關之接納表格,然後將填妥及簽妥當之有關表格正本連同以本接納表格接納股份收購建議或認股權證收購建議(視情況而定)之有關中策股票及/或中策認股權證證書(視情況而定)及/或過戶收據及/或任何其他所有權文件(及/或任何合格之有關彌償保證)(應代表 閣下所持之中策股份及/或中策認股權證總數,或不少於 閣下擬接納股份收購建議及/或認股權證收購建議(視情況而定)之中策股份或中策認股權證數目),盡早交回過戶登記處標準證券登記有限公司,地址為香港灣仔告士打道56號東亞銀行港灣中心地下,惟無論如何最遲須於二零零三年八月二十六日(星期二)下午四時正或之前或由收購人決定之其他較後日期及時間交回。在上述截止日期下午四時正之後交回之接納文件僅會在該等收購建議在上述截止日期前被修訂或延期之情況下,或在該等收購建議在上述截止日期下午四時正或之前已成為或宣佈成為無條件之情況下,方會有效。

閣下如決定接納購股權收購建議,應根據隨附之粉紅色放棄表格所載之規定,就 閣下所持之中策購股權填妥及簽署有關表格,然後將填妥及簽妥當之粉紅色放棄表格正本連同以本表格接納購股權收購建議之有關中策購股權證書(應代表 閣下所持之中策購股權總數,或不少於 閣下擬接納購股權收購建議之中策購股權數目),盡早交回中策公司秘書,地址為香港九龍觀塘鴻圖道51號保華企業中心8樓中策辦事處,惟無論如何最遲須於二零零三年八月二十六日(星期二)下午四時正或之前或由收購人決定之其他較後日期及時間交回。在上述截止日期下午四時正之後交回之接納文件僅會在該等收購建議在上述截止日期前被修訂或延期之情況下,或在該等收購建議在上述截止日期下午四時正或之前已成為或宣佈成為無條件之情況下,方會有效。

股份收購建議

待股份收購建議成為或宣佈成為無條件後,而在白色接納表格、中策股票及/或過戶 收據及/或其他所有權文件及/或任何合格之有關彌償保證已填簽妥當及有效,並已在股份收購建議截止日期前交回過戶登記處之情況下,有關代價之付款支票將為會由下日期(以 較遲者為準)起計十日內寄出,郵誤風險概由接納股份收購建議之中策股東承擔:

- 股份收購建議成為或宣佈成為無條件之日;或
- 過戶登記處接獲一切有關文件證實根據股份收購建議交回之接納文件乃齊備及有效之日。

倘 閣下之中策股票及/或 閣下之中策股份之過戶收據及/或任何其他所有權文件 乃以代名人公司之名義或以 閣下以外之其他名義登記,而 閣下亦擬接納股份收購建 議,則:

一 必須將 閣下之中策股票及/或過戶收據及/或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證)送交代名人公司或其他代名人,並授權該公司代表 閣下接納股份收購建議,及要求該公司將填簽妥當之白色接納表格,連同有關之中策股票及/或過戶收據及/或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證)一併送交過戶登記處;或

- 必須安排過戶登記處將 閣下之中策股份以 閣下名義登記,並將填簽妥當之白 色接納表格連同有關之中策股票及/或過戶收據及/或其他所有權文件(及/或有 關上述所需之任何合格彌償保證)一併送交過戶登記處;或
- 在 閣下已將 閣下之中策股份送交中央結算系統之情況下,指示 閣下之股票 經紀在截止日期前,按照香港結算(代理人)有限公司所定之最後期限或之前,授 權香港中央結算(代理人)有限公司代表 閣下接納股份收購建議。為能趕在香港 中央結算(代理人)有限公司所定之最後期限之前辦妥有關手續,務請 閣下與 閣下之股票經紀核實有關根據 閣下指示辦理有關手續所需之時間,並依照規定 向 閣下之股票經紀作出有關指示。

如 閣下擬接納股份收購建議,但暫時無法交出及/或已遺失中策股份之中策股票及/或過戶收據及/或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證),閣下亦應填妥及簽署有關之白色接納表格,將其郵寄或親身送交過戶登記處,並安排把有關之中策股票及/或過戶收據及/或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證)於隨後盡快送交過戶登記處,同時須隨附一份函件,說明 閣下已遺失或暫時無法交出一張或以上之中策股票及/或過戶收據及/或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證)。倘 閣下已遺失中策股票,務請 閣下致函過戶登記處,要求過戶登記處發出一封有關之彌償保證函件, 閣下在依據此函件所載之指示填簽妥當後,應將其交回過戶登記處。

如 閣下擬接納股份收購建議,且已將中策股份之過戶表格以 閣下名義送往登記,但尚未收到 閣下之中策股票,亦應先行填妥並簽署白色接納表格,連同已由 閣下填簽妥當之過戶收據一併送交過戶登記處。此舉將被視為授權收購人或彼等之代理人按股份收購建議之條款代表 閣下在有關之中策股票發出時代為領取有關股票,並將此等中策股票送交過戶登記處,猶如此等中策股票已連同白色接納表格一併送交過戶登記處無異。

在過戶登記處收妥有關之中策股票及/或過戶收據及/或任何其他所有權文件(及/或有關任何遺失之股票之合格彌償保證)及符合股份收購建議之條款及條件前,不會寄出應就此支付之現金代價支票。然而,除非白色接納表格已正式填簽妥當,並隨附有關之中策股票及/或過戶收據及/或其他所有權文件或由過戶登記處或聯交所正式認可之文件等接納文件,並在本文件所載之最後接納期限或之前交回,否則不可當作已履行有關之接納條件。

概不會就接獲任何白色接納表格、中策股票及/或過戶收據或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證)發出任何收據。

倘該等收購建議期滿失效,就股份收購建議交出之中策股票及其他有關文件,將會由 該等收購建議期滿失效後10日內寄發予接納股份收購建議之該等人士。

認股權證收購建議

待認股權證收購建議成為或宣佈成為無條件後,而在黃色接納表格、中策認股權證證 書及/或過戶收據及/或其他所有權文件及/或任何合格之有關彌償保證已填簽妥當及有效,並已在認股權證收購建議截止日期前交回過戶登記處之情況下,有關代價之付款支票 將會由以下日期(以較遲者為準)起計十日內寄出,郵誤風險概由接納認股權證收購建議之中策認股權證持有人承擔:

- 認股權證收購建議成為或宣佈成為無條件之日;及
- 過戶登記處接獲一切有關文件證實根據認股權證收購建議交回之接納文件乃齊備 及有效之日。

倘 閣下之中策認股權證證書及/或 閣下之中策認股權證之過戶收據及/或任何其 他所有權文件乃以代名人公司之名義或以 閣下以外之其他名義登記,而 閣下亦擬接納 認股權證收購建議,則:

- 一 必須將 閣下之中策認股權證證書及/或過戶收據及/或任何其他所有權文件(及 /或有關上述所需之任何合格彌償保證)送交代名人公司或其他代名人,並授權該 公司代表 閣下接納認股權證收購建議,及要求該公司將填簽妥當之黃色接納表 格,連同有關中策認股權證證書及/或過戶收據及/或任何其他所有權文件(及/ 或有關上述所需之任何合格彌償保證)一併送交過戶登記處;或
- 必須安排過戶登記處將 閣下之中策認股權證以 閣下名義登記,並將填簽妥當 之黃色接納表格連同有關之中策認股權證證書及/或過戶收據及/或其他所有權 文件(及/或有關上述所需之任何合格彌償保證)一併送交過戶登記處;或
- 在 閣下已將 閣下之中策認股權證送交中央結算系統之情況下,指示 閣下之股票經紀在截止日期前,按照香港結算(代理人)有限公司所定之最後期限或之前,授權香港中央結算(代理人)有限公司代表 閣下接納認股權證收購建議。為能趕在香港中央結算(代理人)有限公司所定之最後期限之前辦妥有關手續,務請 閣下與 閣下之股票經紀核實有關根據 閣下指示辦理有關手續所需之時間,並依照規定向 閣下之股票經紀作出有關指示。

如 閣下擬接納認股權證收購建議,但暫時無法交出及/或已遺失中策認股權證證書及/或過戶收據及/或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證), 閣下亦應填妥及簽署有關之黃色接納表格,將其郵寄或親身送交過戶登記處,並安排把有關之中策認股權證證書及/或過戶收據及/或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證)於隨後盡快送交過戶登記處,同時須隨附一份函件,說明 閣下已遺失或暫時無法交出一張或以上之中策認股權證證書及/或過戶收據及/或任何其他所有權文件(及/或有關上述所需之任何合格彌償保證)。倘 閣下已遺失中策認股權證證書,務請 閣下致函過戶登記處,要求過戶登記處發出一封有關之彌償保證函件, 閣下在依據此函件所載之指示填簽妥當後,應將其交回過戶登記處。

如 閣下擬接納認股權證收購建議,且已將中策認股權證之過戶表格以 閣下名義送往登記,但尚未收到 閣下之中策認股權證證書,亦應先行填妥並簽署黃色接納表格,連同已由 閣下填簽妥當之過戶收據一併送交過戶登記處。此舉將被視為授權收購人或彼等之代理人按認股權證收購建議之條款代表 閣下在有關之中策認股權證證書發出時代為領取有關認股權證證書,並將此等認股權證證書送交過戶登記處,猶如此等中策認股權證證書已連同黃色接納表格一併送交過戶登記處無異。

在過戶登記處收妥有關之中策認股權證證書及/或過戶收據及/或任何其他所有權文件(及/或有關任何遺失之中策認股權證證書之合格彌償保證)及符合認股權證收購建議之條款及條件前,不會寄出應就此支付之現金代價支票。然而,除非黃色接納表格已正式填

簽妥當,並隨附有關之中策認股權證證書及/或過戶收據及/或其他所有權文件或由過戶 登記處或聯交所正式認可之文件等接納文件,並在本文件所載之最後接納期限或之前交 回,否則不可當作已履行有關之接納條件。

概不會就交回之任何黃色接納表格、中策認股權證證書及/或過戶收據及/或任何其 他所有權文件(及/或有關上述所需之任何合格彌償保證)發出任何收據。

倘該等收購建議期滿失效,就認股權證收購建議交出之中策認股權證證書及其他有關 文件,將會於該等收購建議期滿失效後10日內寄發予接納認股權證收購建議之該等人士。

購股權收購建議

待購股權收購建議成為或宣佈成為無條件後,而在粉紅色放棄表格、代表 閣下所持有之中策購股權總數,或 閣下擬接納購股權收購建議所涉及之中策購股權數目之中策購股權證書已填簽妥當及有效,並已在購股權收購建議截止日期前交回中策之公司秘書之情況下,有關代價之付款支票將會由以下日期(以較遲者為準)起計十日內寄出,郵誤風險概由接納購股權收購建議之中策購股權持有人承擔:

- 一 購股權收購建議成為或宣佈成為無條件之日;及
- 中策之公司秘書接獲一切有關文件證實根據購股權收購建議交回之接納文件乃齊 備及有效之日。

如 閣下擬接納購股權收購建議,但暫時無法交出及/或已遺失中策購股權之中策購股權證書, 閣下亦應填妥及簽署有關之粉紅色放棄表格,將其郵寄或親身送交中策之公司秘書(地址為九龍觀塘鴻圖道51號保華企業中心8樓),並安排把有關之中策購股權證書於隨後盡快送交中策之公司秘書,地址為位於九龍觀塘鴻圖道51號保華企業中心8樓之中策辦事處,同時須隨附一份函件,說明 閣下已遺失或暫時無法交出一張或以上之中策購股權證書。

在中策之公司秘書收妥有關之中策購股權證書及/或有關任何遺失之中策購股權證書之合格彌償保證)及符合購股權收購建議之條款及條件前,不會寄出應就此支付之現金支票。

概不會就交回之任何粉紅色放棄表格、中策購股權證書或過戶收據及/或任何其他所 有權文件發出任何收據。

倘該等收購建議期滿失效,就購股權收購建議交出之中策購股權證書及其他有關文件,將會於該等收購建議期滿失效日期起計10日內郵寄予接納購股權收購建議之該等人士。

2. 接納期間及修訂

收購人保留於寄發本文件後修訂該等收購建議或將該等收購建議延期之權利。

除非該等收購建議之前經已延期或修訂或該等收購建議之前經已成為或宣佈成為無條件,否則該等收購建議將於截止日期下午四時正截止,而有關之接納文件則必須在截止日期下午四時正或之前交回,方為有效。

倘該等收購建議成為或宣佈成為無條件,則該等收購建議由收購人宣佈該等收購建議 已成為或已宣佈成為無條件之日起計最少十四日內仍可供接受接納。

該等收購建議在:

- 一 寄發本文件日期起計60日期間屆滿之後不可成為或宣佈成為無條件;或
- 該日之後不可再供接納,惟收購人保留權利,在執行理事根據收購守則之規定而 批准之情況下,將該等收購建議延至較後時間及/或日期。

倘股份收購建議或認股權證收購建議或購股權收購建議被修訂,則股份收購建議或認股權證收購建議或購股權收購建議在緊隨有關之經修訂收購建議文件寄發日期起計最少十四日期間內可供接納。中策股東或中策認股權證持有人或中策購股權持有人仍可享有經作出任何修訂後之股份收購建議或認股權證收購建議或購股權收購建議之優惠條款,無論其是否在股份收購建議或認股權證收購建議或購股權收購建議。中策股東或中策認股權證收購建議或原本之認股權證收購建議或原本之購股權收購建議。中策股東或中策認股權證持有人或中策購股權持有人或彼等之代表在此之前因接納股份收購建議或認股權證收購建議或購股權收購建議或認股權證收購建議或購股權收購建議或認股權證收購建議或購股權收購建議之文件,除非該位中策股東或中策認股權證持有人或中策購股權投購建議或購股權收購建議之文件,除非該位中策股東或中策認股權證持有人或中策購股權持有人有權撤回其接納文件並正式進行撤回,則另作別論。

3. 公佈

- (a) 於截止日期下午六時正(或執行理事同意之較後時間及/或日期)前,收購人須知會執行理事及聯交所,該等收購建議已經完結或延期,並須於該等收購建議截止日期下午七時正前在聯交所網站上刊登公佈,列明該等收購建議是否已作出修訂或延期,是否已屆滿或已成為或已宣佈成為無條件。收購人須於下一個營業日在報章上再次刊發該公佈。該公佈須列明:
 - 就接納該等收購建議已接獲之中策股份總數;

 - 收購人或與彼等一致行動之任何人士於收購建議期間購入或同意購入之中策 股份總數。

該公佈須載有投票權詳情,根據收購守則第3.5(c)、(d)及(f)條所規定就中策股份、 衍生工具及安排可行使之權力。該公佈亦須列明該等股份數目所涉及之有關股本 類別之百分比及投票權百分比。

倘收購人未能遵守收購守則第19條所訂之任何規定,執行理事可能會要求於未能遵守第19條規定前,接納人士按照執行理事接納之條款授出撤回權利。

- (b) 在計算接納所代表之中策股份、中策認股權證及中策購股權數目時,並非在各方面完整或尚待核實之接納將會分開列明。
- (c) 根據收購守則及上市規則所規定,任何經執行理事及聯交所確認並無其他意見之 有關該等收購建議之公佈,將須以付款公佈方式,在最少一份主要英文報章及一 份主要中文報章(均為在香港每日發行及流通量大之報章)刊登。

4. 撤回之權利

倘該等收購建議於當時未能成為無條件,接納該等收購建議人士有權由首次截止日期 起計21日後撤回其接納。該項撤回權力於該等收購建議成為無條件後方可行使。除上述者 外,除收購守則第19.2條所載情況外,接納一經提交便不可撤銷及撤回,收購守則第19.2條 規定,倘收購人不能遵守收購守則關於發出該等收購建議公佈之任何規定(正如上文「公佈」 一節所述者),執行理事或會要求在收購人符合有關規定前,按執行理事接納之條款,向接 納該等收購建議之人士授出撤回之權利。

5. 一般事項

- (a) 凡中策股東、中策認股權證持有人及中策購股權持有人發出、收取或寄出之所有 通訊、通告、接納表格、中策股份、中策認股權證及中策購股權之證書、過戶收 據及其他所有權文件及股款,概以郵誤風險由彼等承擔之前提下由彼等或其指定 代理發出、收取或寄出,而中策、收購人或其任何代理概不就郵遞之損失或因此 而產生之任何其他責任負責。
- (b) 隨附之接納表格及放棄表格所載之規定,構成該等收購建議之一部分。
- (c) 因無意疏忽而遺漏向任何獲提出該等收購建議之人士寄發本文件及/或接納表格及/或放棄表格,不會使該等收購建議失效。
- (d) 該等收購建議及其所有接納將受香港法例管轄及按香港法例詮釋。
- (e) 正式簽署之接納表格及/或放棄表格將視為已授權中策任何董事或中策可指示之人士,可代表接納股份收購建議及/或認股權證收購建議及/或購股權收購建議之人士填寫及簽署任何文件,並作出任何其他必須或適當之行動,使收購人或其指定之人士可獲得接納該等收購建議之人士之中策股份及/或中策認股權證及/或中策購股權。
- (f) 任何人士接納股份收購建議及/或認股權證收購建議及/或購股權收購建議,即 視為有關人士向收購人保證,收購人根據股份收購建議及/或認股權證收購建議 及/或購股權收購建議收購之中策股份及/或中策認股權證及/或中策購股權, 乃由有關人士出售(不附帶任何第三者權利、留置權、索償、抵押、股權及產權負 擔),並連同其附帶之一切權利(包括有權收取於該等收購建議截止後就中策股份 及/或中策認股權證及/或中策購股權宣派、派付或作出之所有未來股息或其他 分派)一併出售。
- (g) 根據該等收購建議,接納股份收購建議及/或認股權證收購建議之中策股東及/或中策認股權證持有人就有關接納事宜應繳納之賣方從價印花稅(按代價每1,000港元(或其任何部分)支付1.00港元),將從接納股份收購建議及/認股權證收購建議應付之代價(將由收購人支付)中扣除。
- (h) 收購人不擬行使任何權利,在該等收購建議截止後強制收購根據該等收購建議未 獲收購之任何中策股份,但保留此項權利。
- (i) 本文件及接納表格及放棄表格內所述之該等收購建議,包括該等收購建議之任何 修訂及/或延期。

附錄一

- (j) 向註冊地址為香港以外司法管轄權區之人士提呈該等收購建議,或會受到有關司法管轄權區之法律影響。中策股東、中策認股權證持有人及中策購股權持有人若為香港以外司法管轄權區之公民或居民或國民,應自行了解及遵守任何適用法律規定。倘該人士欲接納該等收購建議,則其有責任全面遵守有關司法管轄權區內關於該等收購建議之法律,包括取得政府或其他必需同意,或遵從其他必要手續及支付該司法管轄權區所定之任何過戶款項或其他應付稅項。
- (k) 根據該等收購建議應付任何中策股東、中策認股權證持有人及中策購股權持有人 之代價(於扣除各自之賣方從價印花稅後),將會按認該等收購建議之條款以郵寄 款項之方式支付,而毋須受任何留置權、抵銷權、反索償或收購人有權或聲稱向 中策股東、中策認股權證持有人及中策購股權持有人索償之其他類似權利所限。
- (I) 就詮釋而言,本文件、接納表格及放棄表格之中、英文版本如有歧異,概以英文版本為準。

1. 責任聲明

- (a) 本文件乃獲得錦興、保華德祥及收購人之董事批准後始行刊發。
- (b) 本文件載有遵照證券及期貨條例及收購守則而提供有關收購人及該等收購建議之 資料。
- (c) 收購人董事願對本文件所載有關收購人資料之準確性承擔全部責任,且在作出一切合理查詢後,確認就彼等所深知及所信,本文件所表達之意見乃經審慎周詳之 考慮後作出,而本文件亦無遺漏其他事實,以致本文件所載內容有所誤導。
- (d) 本文件所載有關中策集團及彼等各自之股東之資料乃摘錄自可供公眾查閱之資料。收購人董事就有關中策之資料所接納之唯一責任,乃確保有關資料為正確摘錄者及所摘錄資料並無誤導成份,及按照可供公眾查閱之資料。

2. 市場價格

中策股份

下表載列中策股份於緊接聯合公佈刊發日期前六個曆月每個曆月之最後交易日、 於緊接聯合公佈刊發日期前之最後交易日、於緊接補充公佈刊發日期前之最後交易日 及於最後實際可行日期在聯交所所報之收市價:

	每股中策
日期	股份收市價
	港元
二零零二年	
十二月三十一日	0.100
二零零三年	
一月三十日	0.090
二月二十八日	0.094
三月三十一日	0.090
四月三十日	0.090
五月三十日	0.080
六月二十七日	0.090
七月十日	0.145
最後實際可行日期	0.145

於有關期間,每股中策股份在聯交所所錄得之最高及最低收市價,分別為0.145港元及0.080港元。

中策認股權證

下表載列中策認股權證於緊接聯合公佈刊發日期前六個曆月每個曆月之最後交易 日、於緊接聯合公佈刊發日期前之最後交易日、於緊接補充公佈刊發日期前之最後交 易日及於最後實際可行日期在聯交所所報之收市價:

		每份中策
日期		認股權證收市價
		港元
二零零二年	$(x_1, x_2, \dots, x_n) = (x_1, x_2, \dots, x_n) \in \mathcal{A}$	
十二月三十一日		0.01
二零零三年		
一月三十日		0.01
二月二十八日		0.01
三月三十一日		0.01
四月三十日		0.01
五月三十日		0.01
六月二十七日 "		0.01
七月十日		0.02
最後實際可行日期		0.02

於有關期間,每份中策認股權證在聯交所所錄得之最高及最低收市價,分別為0.02 港元及0.01港元。

3. 權益披露

於最後實際可行日期,錦興及保華德祥透過收購人及彼等之一致行動人士,持有 291.675.000股中策股份,合共相當於中策現有已發行股本約35.16%之股權總額。

此外,錦興及保華德祥透過收購人,持有48,264,000份中策認股權證,合共相當於尚未行使中策認股權證約29.10%。按照認購價每股中策股份0.16港元計算,於收購人全面兑換中策認股權證後,將會發行48,264,000股新中策股份,相當於現有已發行中策股份總額5,82%及經發行該等新中策股份擴大後之已發行中策股份總額約5,50%。

於最後實際可行日期,陳國強博士間接持有德祥企業已發行普通股股本約34.82%,彼亦直接持有保華德祥已發行股本約1.06%。此外,錦興之獨立非執行董事馬慧敏女士及錦興之附屬公司之一名董事之配偶李礫女士分別持有650,000股中策股份(佔中策已發行股本約0.08%)及40,000股中策股份(佔中策已發行股本約0.005%)。

鑑於陳國強博士為德祥企業之控股股東,彼被視為於保華德祥集團持有之145,492,500 股中策股份及24,132,000份中策認股權證中擁有權益。

除上述者外,收購人、收購人之董事及與收購人一致行動之人士概無於任何中策證券 中擁有權益。 於最後實際可行日期,除收購人為了取得滙富証券批予收購人之貸款融資而抵押予滙富証券之290,985,000股中策股份及收購人於收購建議期間內根據股份收購建議或其他方式將予收購之任何中策股份,以及滙富証券於二零零三年七月九日代表收購人購買之49,665,000股中策股份外,滙富融資及滙富証券並無於中策股份或中策認股權證中擁有任何實益權益,亦並無於有關期間以主事人身份處理任何中策股份或中策認股權證。

4. 買賣中策股份及中策認股權證

除收購人於二零零三年七月九日按每股0.10港元之價格在市場上收購49,665,000股中策股份外,收購人或任何與彼等一致行動之人士及收購人之董事於有關期間內概無買賣任何中策股份或中策認股權證或其他中策證券。

5. 同意書

滙富証券為根據證券及期貨條例之持牌法團,已就刊發本文件一事發出同意書,表示同意以本文件所載形式及涵義轉載其函件,並引述其名稱,且並無撤回其同意書。

6. 一般資料

(a) 除陳玲女士(中策購股權之持有人)已向收購人承諾其將會接納購股權收購建議外,於最後實際可行日期,於寄發本文件前,概無任何擁有或控制中策股份及/或中策認股權證之人士已不可撤回地承諾或有意接納或拒絕該等收購建議。倘該等收購建議失效,上述由陳玲女士所作出之承諾將會終止。

除中策購股權外,於有關期間內,陳玲女士並無擁有或已處理任何中策股份或中策認股權證或其他中策證券。

- (b) 於最後實際可行日期,概無人士與收購人或與收購人一致行動之任何人士訂立收購守則第22條附註8所述之任何實物安排。
- (c) 並無向中策或其任何附屬公司之任何董事作出或提供任何款項或其他利益,以作 為就該等收購建議失去職位或除此以外之補償。
- (d) 於最後實際可行日期,收購人或彼等之一致行動人士及任何中策董事及新任董事或中策股東及新任中策股東、中策認股權證持有人及新任中策認股權證持有人或中策購股權持有人及新任中策購股權持有人或任何人士之間並無訂立任何與該等收購建議有關或依賴該等收購建議之協議、安排或諒解。
- (e) 於最後實際可行日期,收購人及任何其他人士並無就轉讓收購人根據該等收購建 議購入之中策股份及中策認股權證中之實益權益而訂立任何協議、安排或諒解, 惟收購人與滙富証券訂立之貸款及抵押協議除外,根據上述協議,收購人同意將 彼等實益擁有之290,985,000股中策股份及收購人於收購建議期間內根據股份收購 建議或其他方式將予收購之任何中策股份抵押予滙富証券。

- (f) 德祥企業為保華德祥之控股股東及錦興之主要股東。德祥企業之董事為陳國強博士、劉高原先生、周美華女士、陳國鴻先生、陳佛恩先生、黃勤道先生、張漢傑先生、黎慶超先生及卓育賢先生。陳國強博士為德祥企業的控股股東。
- (g) 德祥企業之註冊辦事處地址為Clarendon House, Church Street, Hamilton HM 11, Bermuda, 其於香港之主要營業地點為香港九龍觀塘鴻圖道51號保華企業中心33樓。
- (h) 陳國強博士之地址為香港九龍觀塘鴻圖道51號保華企業中心33樓。
- (i) Calisan Developments Limited為保華德祥之間接全資附屬公司。保華德祥之董事為陳國強博士、劉高原先生、陳佛恩先生、黃永灝先生、周美華女士、張漢傑先生、羅文華先生、李漢潮先生、張定球先生及郭少強先生。
- (j) 保華德祥之註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, 其於香港之主要營業地點為香港九龍觀塘鴻圖道51號保華企業中心31樓。
- (k) 威倫有限公司為錦興之間接全資附屬公司。錦興之董事為陳國強博士、Allan Yap 博士、呂兆泉先生、陳國鴻先生、霍建寧先生、施熙德女士(霍建寧先生之替任董事)、葉德銓先生、張漢傑先生、袁天凡先生、曾令嘉先生、馬慧敏女士及郭嘉立先生。
- (1) 錦興之註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda,其於香港之主要營業地點為香港九龍觀塘鴻圖道51號保華企業中心8 樓。
- (m) Calisan Developments Limited之註冊辦事處位於P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands。Calisan Developments Limited於香港之通訊地址則位於香港九龍觀塘鴻圖道51號保華企業中心31樓。
- (n) Calisan Developments Limited之董事為劉高原先生、周美華女士及陳佛恩先生。
- (o) 威倫有限公司之註冊辦事處位於香港九龍觀塘鴻圖道51號保華企業中心8樓。
- (p) 威倫有限公司之董事為Allan Yap博士及呂兆泉先生。
- (q) 滙富融資為錦興及保華德祥之財務顧問,地址為香港中環夏慤道10號和記大廈5樓。
- (r) 滙富証券之地址為香港中環夏慤道10號和記大廈5樓。
- (s) 本文件及接納表格及放棄表格之中、英文版本如有歧異,概以英文版本為準。

7. 備查文件

下列文件之副本可於該等收購建議仍然接受信納期間之一般辦公時間內在收購人之辦 事處可供查閱:

- (a) 收購人之公司組織章程大綱及公司細則;
- (b) 聯合公佈及補充公佈;
- (c) 滙富證券函件,全文載於本文件第5至第14頁;及
- (d) 本附錄所載之滙富証券同意書。
- (e) 本附錄所載陳玲女士所作出之承諾。

The Standard Tuesday, July 29, 2003

The Stock Exchange of Hong Kong Limited takes no responsibility for the content of this unnouncement makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Expiry of Subscription Rights Attaching to the 2003 Warrants

The subscription rights attaching to the Company's 2003 Warrants will expire immediately after 4:00 p.m. on Friday, 29th August, 2003. Holders of the 2003 Warrants who wish to exercise the subscription rights attaching to the 2003 Warrants must lodge all relevant documents with the Registrars by 4:00 p.m. on Friday, 29th August, 2003.

Trading in the 2003 Warrants will cease immediately after 4:00 p.m. on Tuesday, 26th August, 2003 and the listing of the 2003 Warrants will be withdrawn from the Stock Exchange immediately after 4:00 p.m. on Friday, 29th August, 2003, after which date the Subscription Rights will lapse and the certificates for the 2003 Warrants will cease to be valid for any purpose.

The directors of Paul Y. - ITC Construction Holdings Limited ("Company") wish to remind holders of the warrants ("2003 Warrants") carrying rights to subscribe for shares of HK\$0.10 each ("Shares") in the Company on or before 29th August, 2003 at the current subscription price of HK\$0.40 per Share, subject to adjustment, that the subscription rights attaching to the 2003 Warrants ("Subscription Rights") will expire immediately after 4:00 p.m. on Friday, 29th August, 2003, after which date any Subscription Rights which have not been exercised will lapse and the certificates for the 2003 Warrants will cease to be valid for any purpose.

Trading in the 2003 Warrants on The Stock Exchange of Hong Kong Limited ("Stock Exchange") will cease immediately after 4:00 p.m. on Tuesday, 26th August, 2003 and the listing of the 2003 Warrants will be withdrawn from the Stock Exchange immediately after 4:00 p.m. on Friday, 29th August, 2003. Application has been made to the Stock Exchange for the withdrawal of listing of the 2003 Warrants with effect from immediately after 4:00 p.m. on Friday, 29th August, 2003.

Registered holders of the 2003 Warrants who wish to exercise in whole or in part their Subscription Rights are required to lodge the relevant warrant certificate(s), together with the duly completed and signed subscription form(s) and the requisite subscription monies, with the Company's share registrars in Hong Kong, Secretaries Limited at Ground Floot, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong ("Registrars") by 4:00 p.m. on Friday, 29th August, 2003.

Persons who have purchased but are not registered as holders of the 2003 Warrants and who wish to exercise the Subscription Rights are required to lodge the relevant warrant certificate(s), together with the duly executed and stamped form(s) of transfer and/or other documents of title, the duly completed and signed subscription form(s) (which can be obtained from the Registrars) and the requisite subscription monies, with the Registrars by 4:00 p.m. on Friday, 29th August, 2003.

Subscription forms for the 2003 Warrants lodged with the Registrars later than 4:00 p.m. on Friday, 29th August, 2003 will not be accepted. Share certificates in respect of the new Shares will be issued within 10 business days after the due exercise of the Subscription Rights and sent to the relevant holders of the 2003 Warrants by post at their own risk. The Shares issuable under the 2003 Warrants will, upon issue, rank pari passu in all respects with the Company's fully paid Shares in issue.

The closing prices of the Shares and the 2003 Warrants as quoted on the Stock Exchange on 28th July, 2003 were HK\$0.285 per Share and HK\$0.01 per 2003 Warrant respectively.

A circular providing, inter alia, details of the expiry of Subscription Rights will be despatched to, inter alia, holders of the 2003 Warrants shortly.

Holders of the 2003 Warrants who are in doubt as to their position should consult their stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

By Order of the Board Mui Ching Hung, Joanna Company Secretary

Hong Kong, 28th July, 2003



香港聯合交易所有限公司對本公佈之內容概不負責·對某準確性或定整性亦不發表任何 **昼明,並明確表示概不說因本公佈会部並任何部份內容而產些或因倚賴故等內容而引致** 之仨何损失承接任何责任。



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保華徳祥建祭集團有限公司)

(於百花達住冊成立之有限公司)

二零零三年認股權證所附之認購權屆滿

本公司二零零三年認股權證所附之認購權將於二零零三年八月二十九日星期五下 午四時後屆藩,故二零零三年認股構證持有人如欲行使附於二參零三年認股權證 之認購權,須將所有有關文件於二零零三年八月二十九日早期五下午四時前送交 過戶處。

二零零三年認股權證將於二零零三年八月二十六日星期二下午四時後隨即終止實 實, 並將由二**等等三**年八月二十九日星期五下午四時後醒即在聯交所除牌,於該 日後,認關權將告作廢。而二零零三年認股權證證書在任何情況下亦將告失效。

保善德祥建築集團有限公司(「本公司」) 董事越提展持有可於二零零三年八月二 十九日或之前按現行認賜價每股0.40港元(可予調整)認歸本公司每股面值0.10港元 股份(「股份」)之本公司二零零三年認股權邀(「二零零三年認股權證」)持有人,二 冬冬三年認股複證所附之認隨楹 (『認躋權』) 將於二零零三年八月二十九自星期五下 午四時後隨即屆備,於該日後,任何未行使之認購權將告作廢,而二零零三年認股 權證證密在任何情況下亦將告失效。

二零零三年認股權證將於二零零三年八月二十六日累期二下年四時後遊即終止 在香港聯合交易所有限公司(「聯交所」) 買賣、並將於二零零三年八月二十九日星期 五下午四時後隨即在聯交所除牌。本公司已向聯交所申請將二零零三年認股權證除 **牌、由二零零三年八月二十九日星期五下午四時後起隨即生效。**

二零零三年認股權權之登記持有人如欲行便全部或部份認歸權,須將有關認股 橫蹬蹬會連向正式填妥及簽署之認購表務及所需認願款項,於二參參三年八月二十 九日虽期五下午四時前送交本公司在香港之股份過戶登記處秘書商業服務有限公 司,地址為香港灣仔告士打道56號東亞銀行港灣中心地下(「通戶處」)。

己脾貿而未登記為二零零三年認股權證持有人之人士如欲行使認購權,須將有 關認股權證證養運同簽妥及加蓋印花之避戶炭格及/或其他擁有權文件,正式填妥 及簽署之認購表格(此表格可向過戶處梁取)及所需認購款項,於二零零三年八月二 十九日早期五下午四時前送交過戶獻。

经於二零零三年八月二十九日星期五下午四時送還之二零零三年課股權證課購 表格將不會受理。有關新股份之股票將會在正式行使認購權後十個營業日內發行及 寄被予二零零三年認股權證有關持有人,郵誤風險概由彼等承擔。根據二零零三年 这股權證發行之股份將會在各方兩與本公司已發行之繳足及款股份享有同等權益。

二零零三年認股權證持有人請注意。股份與二零零三年認股權證於二等零三年 七月二十八日在聯交所所報之收市價分別為0.285港元與0.01港元。

一份鍛有(其中包括)關於認購權屆滿詳情之通函將盡快寄發于(其中包括)二零 **零三年認股權證持有人**,

現有認股權證持有人如對本身情況有任何疑問,應諮詢彼等之股類經紀或其他 注册选多商、銀行經理、漆師、專業會計師或其他專**漢廳**問。

> 承董事會命 公司秘書 梅靜紅

香港。二零零三年七月二十八日





HANNY HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

DESPATCH OF OFFER DOCUMENT

Mandatory conditional cash offer by



Kingsway SW Securities Limited
on behalf of Calisan Developments Limited and Well Orient Limited,
each being indirect wholly-owned subsidiary of
Paul Y. - ITC Construction Holdings Limited and Hanny Holdings Limited respectively,
to acquire all the issued China Strategic Shares and
outstanding China Strategic Warrants, other than the China Strategic Shares
and China Strategic Warrants presently owned by the Offerors
and parties acting in concert with them,
and to cancel all outstanding China Strategic Options

Financial Adviser to Hanny Holdings Limited and Paul Y. - ITC Construction Holdings Limited



Kingsway Capital Limited

The Offer Document, together with the forms of acceptance and form of renunciation, containing, inter alia, details of the Offers will be despatched to the holders of China Strategic Shares, China Strategic Warrants and China Strategic Options on 29 July 2003.

In accordance with the Takeovers Code, the Offeree Document must be sent to the holders of China Strategic Shares, China Strategic Warrants and China Strategic Options within 14 days from the date of the Offer Document.

The Offers will close on Tuesday, 26 August 2003. The latest time and date to accept the Offers will be 4:00 p.m. on Tuesday, 26 August 2003. Chima Strategic Shareholders and China Strategic Warrantholders should exercise caution when dealing in China Strategic Shares and China Strategic Warrants.

Holders of China Strategic Shares, China Strategic Warrants and China Strategic Options are strongly advised to read the Offeree Document, especially the letter from the Independent Board Committee and the letter from the independent financial adviser, before deciding whether or not to accept the Offers.

Reference is made to the joint announcements dated 8 and 21 July 2003 (the "Announcements") issued by ITC Corporation, Hanny, Paul Y. - ITC and China Strategic with respect to the Offers. Terms defined in the Announcements shall have the same meanings when used berein unless provide otherwise.

Despatch of Offer Document

An offer document ("Offer Document") together with the form of acceptance and form of renunciation, containing, inter alia, details of the Offers will be despatched to the holders of China Strategic Shares, China Strategic Warrants and China Strategic Options on 29 July 2003.

Under the Takeovers Code, an offeree document to be issued by China Strategic containing, inter alia, a letter from the Independent Board Committee formed for the purpose of advising the independent China Strategic Shareholders, independent China Strategic Warrantholders and China Strategic Options holder on the Offers and a letter of advice from the independent financial adviser of China Strategic appointed to advise the Independent Board Committee on the Offers ("Offeree Document") must be sent to the independent China Strategic Shareholders, independent China Strategic Warrantholders and China Strategic Options holder within 14 days from the date of the Offer Document. In the event that the Offeree Document is not posted by 12 August 2003, the Offerors will extend the time and/or date for acceptance of the Offers.

China Strategic Shareholders and China Strategic Warrantholders should exercise caution when dealing in China Strategic Shares and China Strategic Warrants.

Holders of China Strategic Shares, China Strategic Warrants and China Strategic Options are strongly advised to read the Offeree Document, especially the letter from the Independent Board Committee and the letter from the independent financial adviser, before deciding whether or not to accept the Offers.

The Offers will close on Tuesday, 26 August 2003. The latest time and date to accept the Offers will be 4:00 p.m. on Tuesday, 26 August 2003.

Holders of China Strategic Shares and China Strategic Warrants who wish to accept the Share Offer and Warrant Offer must submit their duly completed form of acceptance together with the relevant documents to

Standard Registrars Limited at Ground Floor. Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong and China Strategic Options holder who wish to accept the Option Offer must subrait her duly completed form of renunciation together with the relevant documents to China Strategic at 8th Floor. Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong for the attention of the company secretary of China Strategic both by no later than 4:00 p.m. (Hong Kong time) on Tuesday, 26 August 2003. Unless the Offers have previously been revised or extended in accordance with the terms and condition of the Offers and the Takeovers Code, the latest time and date for acceptance of the Offers is 4:00 p.m. (Hong Kong time) on Tuesday, 26 August 2003. The Offers have no intention to extend the time and/or date for acceptance of the Offers but reserve the right to do so in accordance with the Takeovers Code.

The Offerors will publish an announcement on the Stock Exchange's website by 7:00 p.m. on Tuesday, 26 August 2003 stating whether the Offers have expired or have become or been declared unconditional. Such announcement will be republished in newspapers on Wednesday, 27 August 2003.

By order of the board HANNY HOLDINGS LIMITED Lui Sin Tsuen, Richard Deputy Managing Director By order of the board
PAUL Y. - ITC CONSTRUCTION
HOLDINGS LIMITED
Chau Mei Wah, Rosanna
Executive Director

Hong Kong, 28 July 2003

The directors of Manny jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the amission of which would make any statement in this announcement misleading.

The directors of Paul Y. IIC jointly and severally accept full responsibility for the accuracy of the information contained in this annuunsement and confirm, naving made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this annuuncement have been arrived at after due and careful consideration and there are no other facts not contained in this annuuncement, the omission of which would make any statement in this annuuncement misleading.

李翠邵合定另所有限公司对本公佈之内容被不负责,對奖萃旗燃成完整地亦不得表任何举明,应明确表示被不故因本公佈全部或任何都 分内容而居生或圆依藤故罕内容两引致之任何损失承擔任何责任。



PAUL Y

HANNY HOLDINGS LIMITED (錦 興 集 團 有 限 公 司)

(於百萬進於冊成立之有限公司)

PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保華德祥建築集團有限公司)

寄發收購建議文件

滙 富 証 券 有 限 公 司

代表 Calisan Developments Limited 及 威倫有限公司. (分別為保華德祥建築集團有限公司及錦興集團有限公司 之問接全資附屬公司) 提出強制性有條件現金收購建議, 收購中策全部已發行股份及 尚未行使中策認股權證 (收購人及與彼等一致行動人士現時擁有之 中策股份及中策認股權證除外) 及註銷所有尚未行使中策購股權

> 錦 興 集 團 有 限 公 司 及 保華徳祥建築集團有限公司之財務顧問



滙 富 融 資 有 限 公 司

一份載有(其中包括)該等收購建蔬菜情之收購建議文件(連同接換表格及放棄表格),將於二等零三年七月二十九日寄發子中策股份。 中軍認股權證及中策購股權之持省人一

按照收購守則之規定,必須由收購證證文件刊號日期起計十四日內,將被收購人文件寄予中榮股份、中策認股權證及中策購股權之特 有人。

該部收房建議將會於二零零三年八月二十六日星期二級止接受接納。接納該等收騰建議之最後時間與日期將為二零零三年八月二十六 6星期二下午四時正。

中策股東及中策認股種證持有人於愛賓中策股份及中策認股種證時,務請書帳行應。

中策股份、中策認股權證及中策縣股權之持有人於決定是否投斂該等收購建關前,務諮閱證被收購人文件,允其是獨立董事委員會之 函件及獨立財務顧問之函件。

本公佈乃為德祥企業、錦輿、保華德祥及中策於工學等三年七月八日 及二十一日就該等收觸連議發表之聯合公佈(「該等公佈」) 而發表。除 另有所指外,該等公佈所界定之洞會與本公佈所採用者具相同過袭。

奇级收購建設文件

一份載有 (其中包括) 級等收勝建議無情之收購建議文件 (「收購建繳 文件」)(連同接納表格及放棄表格)、將於二零零三年七月二十九日 **布發予中策股份、中策認股權證及中策屬股權之持有人。**

根據收購守則;中策將會刊發一份載符 (其中包括) 就該等收轉進議 為獨立中策股東、獨立中策認股權證持有人及中策隨股機持有人提 供意見而組成之獨立意事委員會之幽件,及獲委任就該等收購建速 向獨立董都委員會提供意見之中筆獨立財務顧問之函件之被收購人 文件,並必須由收購建議文件刊發日期起計十四日內,雖寄予獨立 中策股東、獨立中策認股權證持有人及中策縣股權持有人。倘未能 **一零零三年八月十二日之前奇婺被收赐人文件,则收期人将會延** 長該等收辦建議之接納時間及/或日期。

中策股東及中軍認股權證持有人於實賣中策股份及中軍認股權證 時·務論等值行事。

中策股份、中策認股種遵及中策購股權之持有人於決定是否接納茲 等收辦建議前, 粉讀閱讀被收購人文件, 尤其是獨立董事委員會之 函件及獨立財務顧問之亟件。

該等收購建證將會於二零零三年八月二十六日思期二徵比接受接 納。接納該等牧購建議之最後時間與日期將為二零零五年八月二十 六日圣期二下午四時正。

如欲接納股份收購建議及認股權證收購建議之中策股份及中策認股 權設持有人,必須將被等已經要之接納表治連問有關文件送交帳準

證券登記有限公司(地址為各港灣行告上打道56號東亞銀行港灣中 心地下〉,另如欲接鈉聯股權收购建議之中策購股權特得人,則必 須將其已填妥之放棄表格連问有關文件送交中策(地址為香港九龍 觀塘鴻圖道51號保華企業中心8樓)送交中策之公司秘書,上述淡格 吴文件最壓須於二零零三年八月二十六日黑朔二千年四時正(香港 時間) 遞交 - 除該等收購建議之前已根據該等收購建議之條款及條 件及收購守則獲修訂或延期外,接納該等收購建議之最後時間及日 期為二零章三年八月二十六日星期二下午四時正(香港時間)・収講 人無意延長接納該等收購建議之時間及/或日期,性彼等保留根據 收藏守则延旻接函該等收歸建議之時間及/或日期之權利。

收購人將於二零零三年八月二十六日星期二下午七時正前在群交所 網站上刊登公佈,列明該等收辦建議是否已期獨失效或已成為或已 宣佈成為無條件。該份公佈將於二零零三年八月二十七日星期三於 報章上再次刊堂。

> 承董事會命 錫興集團有限公司 到董事思处理 含兆泉

承重事會命 保華德祥溫樂集團有限公司 执行董字 周美華

香港、二零零三年七月二十八日

端典董事祖对本公佑所或资料之华座社共同及信则承接企和责任·以在传出一 **动合理垒功理、建建放设等所深知及所信、应公保持表建之意见历题客模用详** 之者尼接传出·两本全佛亦画造满其他罕贯·以致本全律所裁为客形所填写。

华等德祥等事分本公佑用益舍粹之海建姓英司及倡别承接全部责任,且在作 出一切合限量的设·模略就被等所保加及所信·出公传所表建之意见乃胜这 模局详之者高级作出,而怎会作亦或遗漏其化事實,以及各会佈所裁判客有 所供证。

NOTICES

(Page

PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2003

- ITC Construction Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2003, together with the comparative figures for the previous year The board of directors of Paul Y.

For the year ended 31st March,

23,829 MKS 1006 5,343,810 5,343,810 (S, 174,03B) 3,465,959 8,809,769 169,772 (171,516) (1,701)7,692,164 23,898 11KS.000 3,636,182 3,965,982 (3,612,284)3,636.182 Share of associates and jointly The company and subsidiaries discontinuing operations Administrative expenses Other operating income controlled entities Loss on disposal of Group turnover Cost of sales Gross profit Turnover

RECEIVED

In July 2002, the Group entered into a conditional sale and purchase agreement to dispose of the entire issued capital of, and shareholder's loan to, Bostedale Notel Group Limited (together with its subsidiaries, the "Rosedale Hotel Group"), which is snagged in the business of hotel and catering, for a cash consideration of approximately RK\$250,000,000. The transaction was completed on 2nd December, 2002. A loss of approximately RK\$1,701,000 arose on the disposal of Rosedolo Hotel Group, being the proceeds of disposal less the carrying amount of the subsidiaries, not assets. No tax charge or credit arose from the transaction. LOSS ON DISPOSAL OF DISCONTINUING OPERATIONS

(Loss) profit from operations has ocen arrived at after churging depreciation and (LOSS) PROFIT FROM OPERATIONS

amortivation of property, plant and equipment as follows:	ollows:	
	2003	2002
	HK\$.DOD	MAN COU
Owned assets	190,67	76,321
Assets held under finance leases	ı	6,710
	19,001	110,03
Less: Amount capitalised in respect.		
of contracts in progress	(906)	(4.099)
	78,095	78.932
INVESTMENT (EXPENSES) INCOME - NHT		
	2003	2002
	000.\$XH	11K\$'000
Interest income	9,550	38,312
Write back of impairment ion.		
of property interests		13.829

of about HK\$119 million, showing an increase which was mainly attributab to the contribution from Downer EDI Limited ("Downer") since the Group results for the twelve months from 1st January, 2002 to 31st December, 200 results for the nine months from 1st April, 2001 to 31st December, 200 respect of dividend received from and share of income tax of Downer. Lo for the year was HK\$349 million and basic loss per share was 33.5 cents. Share of results of associates and jointly controlled entities registered a pro faxation of some HK\$32 million represented mainly the overseas tax whilst the comparative amount for last year was calculated based on share of Downer's results for the current year is calculated hased on

a result of the disposal of its hotel property and operation, the total usse of the Group decreased by 21% to HK84,869 million but net curre ussets increased by 12% to some UK\$524 million. Current assets hav consequently been improved from 1.2 times to 1.3 times of curres rabilities. The net debt to equity ratio decreased slightly by 0.03 to 0 limes at this year end. As a result of the change in translation reserv amounting to some BKS81 million due to the appreciation of the Australia dollars in relation to the Group's interest in Downer, net of divident paid of HKS1S million and the loss of HKS349 million during this year When compared with the Group's financial position as at last year end shareholders' funds decreased by 9% to HK\$2,712 million.

Net cash outflow from operations was about HK\$11 million and outflo of HK\$296 million in respect of investing and financing, resulting in net decrease in cash of about MK\$307 million for the vew

	(9)	. 2003	IIKS	1,856, 18,	856. 675.	3,406.0	375,4	601.65 437.26	2,786,34	1,135,35 468,26 101,30	2,318,839
		st March	2003 HK\$'000	1,030,764		Ì	,	338	1		"
		The Candensed Consolidated Balance Sheet as at 31st March, 2003 follows:	HKS	1,030	837	(0f '0+0'*	200,934 1,073,857	236,096	494,855	775,761 144,423 83,959	1,498,998
		lance She	<u> </u>						act works	car ,	r 1
		idsled Ba	NON-CURRENT ASSETS Investment properties, property when	id joindy		ners	раутеліз		CURRENT LIABILITIES Amounts due to customers for contract works Creditors and accrued expenses	outs corrowings - due within one year Other current liabilities	
		ed Consol	NT ASSE	ent ociales at nitties	ent assetg	SETS om custor	is and pre deposits,	5613	MLITTES customers rued expe	– due wii Nifies	ASSETS
		The Candens follows:	NON-CURRENT ASSETS	Goodwill Interests in associates and jointly	Office non-current assets	CURRENT ASSETS Amounts due Irom customers for contract works	Debiors, deposits and prepayments Short term bank deposits, bank balances and cook	Other current assets	CURRENT LIABILITIES Amounts due to customers for c Creditors and accrued exponers	ouns corrowings – due Other current liabilities	net current assets
						-	Short	Other	CURRE Amoun Credito	Other ci	NET CU
		(17,205)	SHARE OF RESULTS OF ASSOCIATES Company, has beene the Churuter), which was formenty a subsidiary of the Duwner is a company itseed for only be principle associate since February 2001.	information of Downer will be without and used by the Group in the capity method. Accordingly, the Group will be without and used by the Group in applying the for the current year is esticitated based on the turner and even in a polying the for the tweeke months from 1.	comparative amount for tank year small, 2002 to 31st December, 2002 which the for the nine months from 1st April, 2001 to 31st December, 2001.	2002 HX5°200	147,6	7.083 4.390 4.990	54,409	(5,474) 47,935	
		1,605	(32,036) tly a subsi	nd and ins fill only publice of Group in a and result	tember, 200 Its turnove er, 2001.	2003 HK\$'000	42,471	22,513 5,453 36,484	64,450	Profits calculated at the rate of 16% (2002; 16%) of the	, year
		,	was forme	tril. 2001, used by the	to 21st Dec ed based on 1st Decemb	Ħ		, .	3 5	J2 0f 16%	
	. <u>×</u>	loss on investmenty	OCIATES ('), which p''s princip	Alleble and lossing a state of the lossing a state of the lossing a state of the lossing of the	comparative amount for tank year was exhabit, 2002 to 31st December, 21 for the nine months from 1st April, 2001 to 31st December, 2001.		усия			od Ht Use ra	
	on disposal of 14 term investme	net unreali	IS OF ASS d ("Downe ne the Great	Commence of will by a fingly, the C	e funt year om Ist Apri		is previou	f axrocirtes Fjointly		is calculated its derived i	
	et gain (tors) on disposut of long and short term investments	loss on investments	SHARE OF RESULTS OF ASSOCIATES Downer BDL Limited ("Downer"), which Company, has become the Group's princible best is a company listed in Auxilia.	n of Down hou. Accord rent year is	c amount for months for N	Comprises.	Current year Under(over)provision is previous yeurs	ation on results o	enunes tion	rofix Tax	
	Net gain (tots) long and slic	loss on	SHARE Downer Company Downer is	informatio equity met for the cur	Comparante los the nine	The charge comprises: Hong Xong Poelis To	Current year	Overseas taxation Share of tax on results of axabeiates Share of tax on results of jointly contenting	Deferred taxation	Hong Kong Proflix Tax is calculated at the case of 16% (2002;	
	18.188	(10)	. (g) ,	<u> </u>	ج ا در و بر				۵	3 5	
	8	(38,301)	(0C1'10)	(6,688) 103,901	8,559 125,243 (47,935)	77,308 (6,605)	70,703	10,246	HK7.1 cents	HK6.8 cents	
	(110,327)	(32,036)	(99,392) (13,964)	(4,665) 112,859 5 970	(316,718)	(349,214)	348,716)	10,630	II	II.	
					50	(34)	3	2 2	HK(33.5) cents	(55.7) cents	
	**	~		8	~		\$	-	۰ م	; 4)	
peny,	ations	ation of	ž	ales		Name to					
pairment last on pro	from oper	capenses) iei g on reyafi	freperties 1 amovnis 1900iatos on of intes ate	ts of associates of jointly nitters	ofore taxati efore minos	sts r che year	end paid	o of	Sign Sign		
Impairment last on property,	(Liss) profit from operations Finance costs	income - net Pelicit stiens on welvation of	Altowance for amounts due from associates Lots on district of interess in an associate	Share of results of associates Share of results of jointly controlled entitles	Costs) Profit before taxation Taxation (Loss) profit hefure minority in	Minority interests (Loss) profit for the year	Dividends Interim dividend paid Final dividend poor	(Loas) famions as a	Basic Oiluted		
	-u.x		₹ Å	క్రీ క	رَكِ عَرِيْ		O Y T	(Lors	Basic		



3,874,160 15,664

3,369,993

15,560

35,884 827,582

637,175 1,727 3,930

863,466

642,832

ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE	In the current year, the Graup has adopted, for the first time, the following new	and revised Statements of Stautherd Accounting Practice ("SSAPs") issued by	Society of Accountable:
ADOPTION OF STATEMEN	a the current year, the Group	and revised Statements of Sta	he Hong Kong Society of Accountable:

1008 ANE SOCIETY OF ACCOMMENT OF THE ACCOMMENT OF SAAP I (Revised) "Precentation of financial statements".

\$5AP I (Revised) "Procige currency translation".

\$5AP I (Revised) "Zaah flow stutements".

\$5AP I (Revised) "Zaah flow stutements".

\$5AP I "Employee kenefits".

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The adoption of these SSAPs has resulted in change in the format of presentation of the cush flow statement and the introduction of the statement of changes in equity, and in the adoption of the new and revised accounting politics, but has to material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

certain comparative figures have also been reclassified to conform with the virent year preventation.

PERMENTAL INPORNIATION

hablyset of the Group's turnover and contribution to (taxs) profit from operations by businers segments are as follows: Jusiness segments:

HE FEE 200 200 200 200 200 200 (12.01) 5 N13/2 (18),411, bkrayes. Alfan 21.519 16.JS ã EDITAL AKT NO 25/125 25/125 25/125 25/125 25/125 1,345.0 EN TAN 16.53 (314,153) 136,337 3 Rekord Ider-imports 8 2.3.3.4 2.5.5.5 1646.11 interpretaring fear It inperpretaring the expense investing rwardiy bessur. Bithy courretor Chit bypeatry Speidly well. Contrator navis Karaixo mi ole GIDGID.

TOTAL ASSETS LESS CURRENT	LIABILITIES	MINORITY INTERESTS	NON-CURRENT LIABILITIES	Bank borrowings – due aller one year Provision for long service payments	Defered lexation	NET ASSETS	CAPITAL AND RESERVES	Share capital
he respective	ing during the		200 <u>2</u> 11K\$''000	10,246	10,367	20,613	9,975	iil be in strip
prevailing in l	ng differences zeis		2003 11K\$'000	10,491	10,630	21,121	10,367	the year which n
Overnous taxation is calculated at the rutes prevaiting in the respective jurisdictions.	Deferred taxation has been provided for on timing differences zeixing during the	BIVIDGNDS		Interim dividend paid for 2003 – 1.0 cent (2002: 1.0 cent) per whare	Final dividend proposed for 2003 - 1.0 cent (2002: 1.0) cent per share		Final dividend puld for 2002 – 1.0 cent (2001; 1.0) cent per shure	The amount of the final dividend propaged for the very which will be in serio

The amount of the final sividend propased for the year, which will be in si form with a cash option, has been calculated by reference to the 1,463,016, shares in Issue.

	The culculation of the basic and diluted (loss) carnings per share for the year in		2002
	١Ē		
	ē		
	share		2003
	Š		7
	sings		
	carr		
	[ERO]		
) por		
ž	É		
Š	Ě	÷0	
ž	636	8 (3)	
(LOSS) KARNINGS PER SELVE	Š	based on the following data:	
Ž	Ē.	<u></u>	
Š	7 CIT	<u> </u>	
Š	E CH	3	
3	Ē,	ë	

based on the following data:			The C
	1003 HKS'006	000.1XH 2002	
(Loxs) earnings: (Loxs) carnings for the purposes of bastic (Ross) earnings per thare	(348,716)	10,70	Net ca
Effect of allusive potential ordinary shares: Adjustment to the share of exults of an	•		Net CE
assuciate based on dilution of its enraings per share	(2,944)	(2,892)	Decrea Cash a
(Laxs) causings for the purposes of filuted (loss) carnings per share	(321,660)	67,811	Cash a
Number of shares: Pelphted average number of ordinary shares for the perposes of basic and diluted (lass) carnings per share	1,002,310,331 1,002,323,1:6	1,002,323,116	Analys and Short t

_						_	
2,995,030	103,675	2,995,030	2002 HX\$'000	22,475 (49,335) (40,425)	(67,285) \$88,216	520,931	601,690 (80,759) 520,931
2,711,601	106,302	2,711,601	2003 11K\$'000	(11,042) (172,930) (122,968)	(306,940) 520,931	213,991	236,096 (22,105) 213,991
NET ASSETS	CAPITAL AND RESERVES Share capital Reserves	SHAREHOLDERS' FUNDS 2,711,601 2 The Condensed Consolidated Cash Flow Statement is as follows:		Net cash (used in) from operating activities Net cash outflow used in invosting activities Net cash outflow used in financing activities	Decrease in cash and cash equivalents Cash and cash equivalents brought forward	Cash and eash equivalents carried forward	Analysis of the balances of cash and cash equivalents: Short term bank deposits, hank halances and cash Bank overdrafts
	8.037 6.037	ear is	2002 2002	0,703	2.892)	7,811	3,116



Contribution to (loss) profit from operations			
	2003	2002	LOF (Ne year c
	HKS.600	000.SXH	Wass for saul
Commence of the Same of the Sa			since their exe
Constitutional and mater contracting desinores.	1747 077	770.1	the year.
Building construction	(40,045)	00.7	
Civil estinocing	(\$6,092)	19,210	For the year e
Specialist works	(35,264)	(25.079)	share did not
Construction materials	(21,324)	(20,394)	Secured Conve
			the average nu
	(505,571)	(18,507)	DEVIRW
Horel and entering james 3)	(1,972)	(13,607)	
Property leasing	15,749	21,994	Financial Ferro
Sale of property	209	28,308	For the fiscal y
	(149.319)	18 188	Inrnover decreas
Impairment loss on appoint	(and can't	*******	compared with th
plant and equipment	(110,327)	ċ	in the Hong Kon
	(259,646)	18.188	Due to the intens
			and declining ten
Geographical segments:			declined by 86%
			•

Analysis of the Group's turnover by geographical markets is us follows:

	2003	2002	, <u>z</u>
	11KS.000	HK3.000	_
Heng Koug	3,609,919	5,262,554	7
People's Republic of China	16,163	81,256	ત
	3,636,182	5,343,810	
			•

ror the year ended 31st March, 2003, the computation of diluted loss per share	fore not assume the conversion of the Company's share options and warrants	since their exercise prices are higher than the average market price per altere for	
FOR the year ended 3151 March	dues not assume the conversit	since their exercise prices are i	the year.

ended 31st March, 2002, the computation of diluted carnings per assume the exercise of the Company's share options, warrants and certible redeemable note as their exercise prices were higher than narket price per share for that year.

ormance and Positions year ended 31st March 2003, the Group's consolidated ased by 32% to approximately HK\$3,636 million when that of last year. It is mainly due to the continuing downturn ng construction sector.

Due to the intensified competition in the construction market in thong Kong and declining tender prices of construction projects, the Group's gross profit declined by 86% to approximately HK324 million and incurred a loss from uperations of HK\$260 million as compared with a profit of HK\$18 million for last year. In view of the extended downturn in the groperty market and poor local economic environment, total provisions of HK\$209 million, of which HK\$110 million for revaluation loss on property, plant and equipment and another HK\$99 million for revaluation loss of investment properties, have been made. In addition, total investment loss of investment properties, has been recorded.

OPERATIONS

Contracting and construction materials

During the year, the Group secured new contracts with an aggregate attributable value of approximately 14K52,354 million, which comprised some 14K52,084 million of huiding construction contracts, some 14K5191 million of civil engineering contracts and some 14K520 million of specialist works. When compared with last financial year end, contracts on hand and the value of work remaining at this year end deceased by 29% to approximately 14K\$10,358 million and 18% to approximately 14K\$10,358 million espectively. The profile of contracts on hand at 31st March 2003 is as follows:

Value of work remaining as at 31/3/2003 HKS' atillion	4,216 303 416 4,935
Value of contracts on hand as at 31/3/2003 IIK\$'million	8,179 1,346 833 10,358
	Building construction Civil engineering Specialist works

Value of work remaining as at 34/3/1003 AR HS 74/11/1003	2,558 2,241 manufi 1,020 777 retailer	684 91 1.1QUI 684 201 The G 490 397 overal	272 82	173 74 year 1,627 718 March 1,627 7,935 As a 6,935 (actor)
Some of the major contracts are as follows: Value of contracts on hard as a) 21/3/2003 HRS'million		(Lonias, T. Superstructure Phase 13:19 (14) Hotel Stab Formation for Lemmas 15:16 Formation Station Entension Power Station Entension 271A Phase 3	Tseung Kwan O Area Shek Kip Mei Estate Phase I Thomson Rand 121-131 & Fleming Road 2-10 Superstructure Fleming Road 2-10 Superstructure Sheraton Hong, Kong Holel & Tuwers	Guestroom Reputers Superstructure of Telepak for APT Satellite at Tai Po Industrial Estate Others

Subsequent to the year end, the Group secured further new contracts with an aggregate artibutable value of applicationately HKB1, 765 million, which compiliers some HKB264 utilities of building construction contracts, some works. These newly secured contracts included Tung Chaug Station Development Phase 4 & 5 of HK\$500 million and Widening of Yuen Long Highway of HKS678 million.

The construction materials division has reduced its scale of operation and the construction materials form at mound 11K\$21 million, vimilar to managed to contain its operating form at mound 11K\$21 million, vimilar to engineering and specialist work, all incurred losses.

that of last year

Downer's divisions are: Downer Engineering (engineering division), Works Infrastructure (infrastructure division), Roche Mining (mining division), EDI Rail (fall division) and Century Resources (resource services division).

10R INVESTMENT - CHINA STRATEGIC

10R INVESTMENT - CHINA STRATEGIC

10R Strategical the Group held (4.5% equity interest in China

10R Strategical investment holding company with its phases listed

10R Strategical investment of medicines of the

10R distribution of medicine and health products, the provision of

10R distribution of medicine and health products, the provision of

10R distribution of medicine and health products.

The Group adopts a pardent fooding and treasury policy with regard to its for forouge adopts a pardent fooding and treasury policy with regard to forouge obtained to overall business operations. A wastery of execut facilities is maintained to foreign and the foreign operations are adopted to foreign operations of the foreign with purpose. The insms of the Group bear and foreign and the wind foreign one discrets at market rates and are with terms of tergayment tanging from one discrets to ten year. As an 31st March, 2003, the Group's total fooreign from one grows to ten year. As an 31st March, 2003, the Group's total fooreign within one kyear to ten year. As an 31st March, 2003, the Group's total fooreign within one grant and the 553 million repayable niter one year. Cash balances at 31st March, 2003 million.

As as the year end, all of the Group's borrowings bear interest at floating dates and are denominated in Hong Kong dollar. As a sentil of the disposal eates and are denominated in Hong Kong dollar. As a sentil of the Group's of its botel property and the corresponding mortgage tosm, the Group's gening ratio decreased considerably from 0.43 at last year end to 0.29 which is calculated based on the total borrowings of HK3782 million and the Group's thareholders funds of HK32.712 million.

NUMBER OF YON SCHEME.

Including the directors of the Group, as at 31st March, 2003, the Group employees. Remuneration employed a total of approximately 1,260 full time employees. Remuneration packages comprised of salary and year-end houses bared on individual metits. No space options were granted or exercised dusing the year.

As at 31st March, 2003, certain of the Group's properties and debtors vite an aggregate value of approximately HK\$891 million and the issued vite an aggregate value of approximately HK\$891 million and the issued sheet of certain subsidiantes of the Company and its benefits under certain construction contracts, have been pledged to banks and financial institutions to secure general credit facilities granted to the Group.

The board has also proposed that the final dividend should be satisfied by way of a scrip dividend of shares, with an option to elect assis to respect of part or all of such dividend. The market value of the shares to be sissued under the acrip dividend. The market value of the shares to the issued under the acrip dividend proposal will be fixed by reference to the average of the closing prices of the Company's shares for the three average of the closing prices of the Company's shares for the three processive fracing days ending the of shares, whichever is consecutive fracing days ending the open of such average price of the part value of shares, whichever is the higher. The proposed scrip dividend is conditional upon The Stock of the proposed scrip dividend is conditional upon The Stock in the new shares to be issued and the passing at the forthcoming sinual general meeting of the Company of an ordinary resolution to specifical dividend A circular giving full details of the scrip dividend specifical dividend A circular giving full details of the scrip dividend specifics.

The Company's register of members with be clusted from Ind October. The Company's register of members witelested, duting which period on 2003 to 6th October, 2003, both dates inclusive, duting which period on divident of the Industry of the proposed final divident, all transfers of shares accompanied by the relevant share existing the manual be longed with the Company's share registers in Hong Kong. Secretaries Limited, at Ground Floor, Bank of Essi Asia Habour Kong. Secretaries Ilmited, at Ground Floor, Bank of Essi Asia Habour Centificates must be longed with when the Asia Habour Centificates for Concerner at Ground Floor, Bank of Essi Asia Habour Centificates for Concerner at Ground Floor, Bank of Essi Asia Habour Centification Centification Conference and Conference at Conference and Conference at C no later than 4:00 p.m. on 30th September, 7003.
RXVIAY OF SUBSCRIPTION RIGHTS ATTACHED TO 2003 proposal and a form of election will be sent to shareholders. CLOSE OF RECISTER OF MEMBERS

Warrantholders are kindly tenninded that the subactipilon rights ansative for shares Warrantholders are kindly tenninded that sights to subactive for shares to the warrants ("2003 Warranth") earthin expire immediately after 4:00 p.m. of HKSO.10 each in the Company will expire immediately after 4:00 p.m. on 29th Avgust, 2003. A circular, constituing information in relation to the Expiry of the 2003 Warrantholders as soon expiry of the 2003 Warrantholders as PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S

During the year ended 31st March, 2003, there were no parchases, sales or redemptions by the Company, or any of its substidiaties, of the Company, the Company of its substidiation or tedemptions by the Company, or any of its substidiation of the Company's listed securities.

complex situated in Yven Long for a consideration of HK\$103 million which is designated for the use of pre-cast concrete product manufacturing. During the year, the Group has purchased a 100% interest in an industrial Due to the shrinkage in demand for pre-cast concrete building components. the redevelopment plan was dropped and provision has been made to record this property at its estimated recoverable amount. Property, hotel and catering operations

The Group's investment property portfolio included Paul Y. Ceuire, the Group's headquarter in Kwun Tong, In-Zone, a shopping areade in Wanchai and certain investment properties in the PRC.

reduced, occupancy rate was maintained at the satisfactory level in which Paul Y. Centre remained at an occupancy rate at around 92% at the year Asthough the overall rental rates of the investment properties had been end. Due to the continuing weak retailing market, in Zone was around 75% let at the year end. Following the completion of sale of the few residual residential flats of Cathay Lodge, the Gruup had successfully realise all its properties held for resale in cash. Paul end.

hotel property and operation for a consideration of HK 3250 million to Rosedale Hotel Group Limited ("Rosedale Hotel Group"), formerly China Land Group Limited which is an associate of China Strategic Holdings December, 2002. In July 2002, the Group has entered into an agreement to dispuse of its

two parcels of land in Taishan City, Guangdong of land premium of around HK\$42 million. The properties, which can be developed into commercial, finance and residential use, shall be delivered to the Group in vacant possession and cleared site state within this year. During the year, the Group entered into land use tight grant contracts in

MAJOR ASSOCIATE - DOWNER

Downer reported a revenue of A\$2,430 million (HK\$10,458 million) and A\$1,211 million (HK\$5.210 million) and a net profit after tax of A\$56 million (HK\$3243 million) and A\$22 million (HK\$394 million) for the year ended 30th June, 2002 and six months ended 31st December, 2007 respectively. As at this year end, the Group held 354,674,194 shares in Downer which is equivalent to about 36.57% of the then issued ordinary share capital or about 32.25% on a fully difuted basis.

Downer is a preferred supplier of engineering and infrastructure teleconununications, power, and mining and resource sectors in Australia, management services to the tail, public and private toad,

New Zealand and Asia.

Downer, a top 150 listed campany on the Australian Stock Exchange, which is also listed on the New Zealand Stock Exchange, has total assets of AS1.8 billion (HK§8.4 billion) and number of employees of over 10,000. Downer provides comprehensive engineering and infrastructure munagement services to the public and private power, rail, road telecommunications, mining and minerals processing sectors in Australia, New Zealand, Asia and the Pacific. Its services are organized liptough five operating divisions that have common core competencies. These core competencies include value-adding skills in engineering, design and asset management and maintenance to provide clients with single source

respect of outstanding performance bonds on construction contracts and guarantees given to banks and financial institutions on general banking facilities granted to associates of HK\$741 million and HK\$2 million respectively. CASH OFFERS TO ACQUIRE THE COMPANY'S SHARES AND As at the year end, the Group has contingent liabilities in WARRANTS

In October, 2002 Angla Chinese Corporate Finance, Limited on behalf of Hollyfield Group Limited ("Hollyfield"), a wholly owned subsidiary of ITC Corporation"), made an eash offer to acquire all shares and warrants of Company, other than those shares and watrants owned by ITC Corporation or its wholly owned subsidiaries. Pursuant to the closing of the offer in December 2002, ITC Corporation indirectly holds more than 50% of the issued stare capital of the Company and hence becomes the ultimate holding company of the Company. POST BALANCE SHEET EVENT

On 8th July, 2003, the Company and Hanny Holdings Limited ("Hanny") jointly announced that through Kingaway SW Securities Limited, they will make a voluntary conditional cash offer at the price of HKS0. 10 for each ordinary state and IKS0.001 for each warrant of China Strategic respectively, other than those owned by the Company and Hanny and parties acting in concert with them, and to cancel all outstanding share options of China Strategic at HKS0.001 each. The Company and Hanny further jointly announce, under a separate announcement on the same date of this announcement, that after the purchase at the open market on 9th July, 2003, the Company and Hanny and their concert parties are interested in 291,675,000 ordinary shares of China Strategic, representing upproximately 35.16% of the issued share capital of China Strategic, thus litggering a mandatory offer during the offer period of a voluntary offer under Rule 26 of the Takeovers Code. The Company and Hanny have notified China Strategic that, to make the offer price more attractive to the shareholders of China Strategic, the offer price per ordinary share of China Strategic is to be increased from HKSC, I to HK30, 139, representing an increase of 39%.

The shares and warrants to be acquired by Kingsway SW Securities Limited will be distributed to the Company and Hanny in the same proportion. A circular containing, among other things, details of the offer will be despatched to shareholders and warrantholders as soon as practicable. SECURITIES IN ISSUE

at HK\$0.5552 per share. No share options were granted or exercised during the year and thare options over 38,349,206 shares at subscription prices per share of HK\$0.6048 hapsed and were cancelled during the year. During the year, an aggregate of 26,271,113 shares were issued by way of scrip dividend. As at the year end, there were 1,063,016,037 shares in issue and outstanding share options over a total of 16,100,030 shares with subscription price remained As at the year end, there were 204,920,349 outstanding warrants which confer tights to the holders to subscribe up to approximately HKS82 milition in cash for shares of IIKS0 10 cach at an initial subscription price of HKS0. 40 per share. These warrants are exercitable at any time on or before 29th August. 2003 and none has been exercised up to 31st March, 2003. PINAL DIVIDEND

The board of directors has resolved to recommend the payment of a final cent per share) to shareholders whose names appear on the Company's register of members as at the close of business on 6th October, 2003. The linal dividend is expected to be paid to shareholders by post on or around dividend of 1 cent per share for the year ended 31st March, 2003 (2002: Hst October, 2003.

The Government has announced in November 2002 its tevised housing policy to restore the public's confidence in the local property marker. Nine measures, including but not limited to stopping all scheduled land auctions, suspension of Application List for supply of new land and cessation of production of flats under flome Ownership Scheme, have been introduced with primary effect to reduce the supply, expecially in public sector, in the residential market in the coming years. These measures would inevorably deteriorate the local construction market conditions. lessen tendeting opportunities and intubsify competitions. Tender price is Government decided to temporarily put the Tumar development project on hold and would complete the review of its spending priorities within six months. Such move would cause further uncertainty over the recovery of anticipated to remain low or even be further reduced. In May 2003, the the focal construction market.

continue with its cost reduction and streamlining measures to enhance its cost competitiveness. With its comprehensive skill base, proven track records and a diversified client base, the Group devotes to maintain its like Cyberport Residential Development RIA & 1b and Tsing V. Hotel Development Phase 2. Subsequent to the year end, the Group has further been awarded with other large scale contracts including Tung Chung essidential development project and Yuen Long Highway which in aggregate amounts to HKS1,765 million and is confident to secure new To tackle with the increasingly challenging market ahead, the Group will prospect in the future.

Though Hong Kong remains its operation base, the Group will focus more on Mainland China which is the market provides ample opportunities for the Group's business growth. The signing of the Closer Economic Partnership Attangement (CiFbA) will liberalize market access and accelerate the Group's growth in Mainland China. The Group will also revisit its investment plants to capture the benefits of CEPA in Australia and South Pacific region, Downer is well positioned to capitalize on global tends towards outsourcing and expects stready growth to come from its ability to provide clients with unrkey service delivery in its target markets of mining, power, rail, road and telecommunications. With its track record of steady cannings growth, the directors are confident that Downer will continue to enhance the Group's ability to maintain a

stable income stream and create investment value.

diversification strategy by venturing into the different geographical markers where sound business opportunities are identified, with its primary locus on the China market and investments generating earnings growth. Hairing unforesceable circumstances, the Group is well positioned to capture its In the years to come, the Group will continue its business and investment prospects and meet the challenges ahead

I would like to take this opportunity to express my appreciation to the shareholders for their support, to the management and staff for their

valuable assistance offered during this past year.
PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCITANGE

dedicated efforts and to our client, consultants and partners for all their

March, 2003 containing all information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website A detailed results announcement of the Group of the year ended 31st of the Stock Exchange in due course.

Dr. Chan Kwok Keung, Charles On behalf of the Bourd

The full version of this announcement cun also he accessed on the Company's website: http://www.pyite.com. Hong Kong, 21st July, 2003



NOTICE OF ANNUAL GENERAL MEETING

OTICE IN HERMIN GIVEN that the served general creeting of Paul Y. - I'TC Commercion Hobings, indicated the Commercian Hobings beautifully in Congestry') with the held at Illih Hobot, Paul Y. Conto, 31 lings for break, Kwan Tong, inwinose, itong Kong und Menday, Bi's September, 7000 at 10.530 and to the following purposes:

To receive and consider the andied financial interacts and the reports of the direction and auditor for the year orded Stat March. 2003.

To declare the first side of the state of the State of State of the State o

"THAT subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Koog Limited guantify listed by I and particulations of the in the traves of HKGO for each to the capital of the Company Ushera'l tespeciation at mattern of 10 per central to the capital of the Company Ushera'l tespeciation and other tension of the Shares in state as at the date of particular that eachtdoon better opinar schemadoped on 21th August, 2007 Ushera'l testerability of the Company in the capital schemadoped on 21th August, 2007 Usherand's the relationship of the central indicates and any other that eagust extension of the company of the per cent. of the Barres in time as at the date of parting this resolution ("Reference Minister Einsti') he and it hereby approved and any director of the Company to taki in the state of the Company to taki in the state of the Company to taki in the Mandate Einsti' particular day and exercise and hocument to affect the Radiershad Mandate Einsti THINE 9

where the described in the transfer of the control of the control of the Compass young the following the described of the control of the Compass young the felerant Period (as bedighted redicted) of the transfer of the Compass you have not been dead to the described of the control of the Compass you have not an extensive and office and offi E 3

the approval to tub-gazigush (i) of this resolution stall authorise the discretors of the Compary during Drt Referest Period to radio 52 good offers, agreement and upplions which might sequire the exercise of such powers after the and of the Researn Period;

Ê

the aggregate nominal amount of there cupical stituted on agreed conditionally or unaccellionally to be efforted (whicher puterent in an spilous or affecting in any average of the company pursuant to the apparent in sub-paragraph (i) of this exploratio, otherwise than privates to a fight it take (as harviniter defined) on negars the exercise of rights of subscription on expersion under the subscript of these of the Company or my securities.

which are convenible into charcs of the Company or the state option actions the Company, what has been exected to the settle of the aggregate morated treatm of the states expited of the Company is favue on the date of this contains the test approval above a half be limited accordingly; and

for the purpose of this texplution:

Ξ

"Refevant Period" grouns the period from the passing of this resulution until whichever is the carliere of:

the expiration of the period within which the axed annual general meeting of the Company of required by the bye-tank of the Company or any applicable tan to be held; with (a) the corelusion of the next annual general meeting of the Company; (b) the expiration of the period within which the cast annual general me

"Rights fixue" exacts an effer of therea open for a juried fixed by the directors of the Company to polyster of their explication of the Company to polyster of their explication of the Company may determ as the directors of the Company may derro accessay or expedient in relational conflicenciate of having regard to any rettlections or obligations under the laws of, on the requirements of and recognized regulatory bady on any itself exclusion of the conflicency of the recognized to any rettlections. the reversation or variation of the authority solout is this resolution by the optimizer resolution of the charelockies of the Company to general meeting Ö

subject to sub-paragraph (ii) of this cessbullon, the exercite by the direction of the Compus Quilge, the Referents Period. Of the tersinalize referenced in the govern of the Compus or repurebax insued theirs in the captual of, the Compus pant to ack offert, greenents and uption which a sight in equive the reservice of such govern; which is not and all accordance with all applicable have and the hys-laws of the Compusty, he and is hereby generally and unconditionally approved: "YHAT. 3 e e

the eggregat rannial amount of histor expital of the Company which the Company is suffered to equivate guarant to the approval in tub-paragraph (1) of this tricklishes that nut exceed 10 per exert of the appropriate complex tunniant amount with the captured in the Company M lists on the date of the captured as the captured as the captured as the tricklish of the captured as €

"Relevant Prisod" means the period from the passing of this resolution until whichover is the entires of: fer the guspare of this somistics: Ê

conclusion of the east apput general meeting of the Company; 3 €

He expitation of the period within which the ecat anyaal general receiping of the Company is required by the byr-taws of the Company er any applicable law to the McGi and

the revocation or variation of the wethority set out in this resolution by an ordinary excelution of the structural of the Company in general meeting." 3

"THAT contitional ages teabultion tembered S(C) in the regists convening this meeting being gastree, the agregate norminal account of the featured thates in the cupital of the Conspany white. Let requirehated by the Company under the velocity ignoried to the directors as mentioned in the said resolution acceded (S(C) above Sall) by redded to the aggregate somitist each of the said resolution acceded (S(C) above Sall) by redded to the aggregate somitist each of the said resolution acceded to the aggregate conflicted to be allowed and based by the afficence of the Company posterant to the resolution numbered S(B) in the restite curvening that overfing. Ê

To transact any other endingsy business of the Company.

ė

Principal Place of Business:
31 of Floor, Pust V. Centre
51 tions 70 Road
Rwan Tong, Rowloon
Hong Kong Rong Kuag. 21st July, 2003

Regittered Office: Clatendon Houre 2 Chyrch Steat Hamilton HM 11

By Order of the Bourd Mal Ching Hung, Ipmina Serrelary

In vider to be valid, the four el party topelver with a pover of attorney as other sulhating, if any, under which it is agond, as a confinity, small be depained as the Compan's a planting that it is agond, as a confinity, and the depained as the Compan's a planting that and a transition of a time of the confinity and a planting to sook, Kusur Top, Kowkon, Heng Kong, and Inan vito 44 high high bifure the ripe appoints for the receipt at any adjournment through A member entitled to attend and vote of the choice meating in entitled to appoint a group to allond and vites In his stead. A group excellent by a member of the Company.

The regives of resthers of the Cempary cill be chast for the purposes of detending the assistants in the personal final between from Theorems, and Content, 1869 in Century, 1864 Section 280 or the Century, 1864 Section 280 or the personal final determines when period on the chart is gratify for the properties from Marke and their recomparish by the charten where excellents more before and added and also Century there excellents must be charten and the content of the centilents must be chartened and as a Century that excellent in the form of the content of the century of the century that century the century form. Section is the content from the century of the



PAUL Y. - ITC CONSTRUC (保 華 遠 祥

(於百萬建註

截至二零零三年三月:

集實 保容德祥建築集團有限公司(「本公司」)董事周欣然董而本公司及其附屬公司(「本集團」) 截至二 等率三年近月五十一日止年度之經審核集合業類經同上年之比較數字如下: 截至三月三十一日止年度 上零字三年:「二零字二年 財法 千港元 千港元 香獎額 本公司及附屬公司 攀佔聯營公司及共同控制機構 3,636,182 3,965,982 5,343,810 3,465,959 7,602,164 8,809,769 3,636,182 5,343,810 (3.612.284)(5.174,038)毛利 其他惩營收入 行政费用 出售经业签營業務之結項 物理、權機及設備之遂值虧扱 23,898 169,772 23,829 (175,413) (171.516)(110,327)题替(虧損) 盗利 配受风本 处变 (開文) 收入 (等等 投资物更重估虧绌 應收等替公司款填之落衛 建源一間關係公共 (259,646)18,188 (25,794) (32,036) (38,301) (99,392) (31.130)(13,964)(6.688) (4.665) 握佔聯營公司業績 推佔共同控制機構業績 112,859 103,901 除税前(虧損) 證利 現項 (316,718)7 (32,496)(47.935)除現役(虧損) 澄利 少数股東権益 77,308 (349,214)498 (6,605)单版(新担)强利 (348,716)70,703 股急村中期群岛 10.491 10,246 **经派末期股**息 10.630 21,121 20,613 每股(新損)強利 (33.5)滞 仙 7.1端仙 6.3港仙 (33.7)港仙

9 tie :

本年度,本集團官次派的田香港會對關公會頒佈之所頒析及巡修町會計實施達則《「會對實際準則」):

(a) 合計實務準則第1號(經停訂)「對極級法之呈報」 (b) 自計實務準則第11號(照停訂)「外等換算」 (c) 合計實務準則第13號(經季訂)「決等換算」 (d) 含計實務準則第13號(經季訂」(沒金校勘表] (d) 含計實務準則第33號(歷上與晉義務」 (e) 含計實務準則第34號(體責福利」

采纳运车合計實链修则博致现金领勤承之元明方式改变,並引人改本提動表、亦修改采到新規的及逐修订 之合計改策、他對本年度或過往會計與何之實度或無重大影響、因此,本公司受須作出和現與整。

分類資料 発伤分類:

本提图之音集额及理營監例之實獻夜集務分析地下:

		==== ==			二金金二名	
	短外 デ選元	9都之間 千瀬元	组 数 平 <i>阅元</i>	对外 工产元	分部之間 デ總元	组計 手權况
全党部						
宝獎工程及其他承包索研: 權字運搬工程 台水工程 名称工程 金額有料	2,232,876 555,794 720,304 14,488	47.016 127 103.772 45.472	2,279,892 555,921 824,026 59,960	3,116,878 1,329,728 586,350 25,389	49,240 ; 364 67,173 45,763	3,166,118 1,531,292 654,023 71,154
港店及季吹 (財 統3) 物項租宜 請害物學 對請	3,523,462 48,647 55,733 8,340	196,337 19,846 (216,183)	3,719,799 48,647 78,379 8,340 (216,183)	5.058.845 68.563 49.030 167.372	(187,421)	5,222,387 58,563 72,709 167,372 (187,421)
	3,636,182		J.696,182	5,343,810	_	5,343,810
經濟 (受益) 进利贷金				= 4	♥三年 デ磨元	二字字二字 子语元
医典工物及其他最包含汤 模字建築工程 生工课至 建筑材料	:			() ()	40,625) 56,092) 55,264) 21,324)	7,756 19,210 (25,079) (20,394)

在計算電至二字字三年三月三十一日止年度9 設可頭回原據之行使價高於該年度傳數平均// 換設可隨回原據在行使之情況。

回顧

财务表现及状况

於數至二字字三字三月三十一日止財政年度 去年比較,減福為32%,主因是各治建策或

由於合格選集工程義內之數學加劇,加上理 至約24,000,000港元,並聚得顯勝點通260, 於物業市實持望不景,本地逐漸環境欠佳 110,000,000場元乃默物端、機械及設備之尚 估點鎖設置。此外,本公司亦錄得投資總

羅伯聯督公司及共简控制機構業績錄得強和 Limited (「Downer」)之資獻,張因本集團集 一月一日起至二零字二年十二月三十一日 Downer自二零字一年四月一日走至二零零 32,000,000根元主要因此取Downer派發之澄! **349,000,000港元,而每股港本新規則為3**

與本集團上年度結束的之財政狀況相比,由 震襲少21%等4.369,000,000總元,惟流為實 而有所改善,由相當於成動負價之1.2倍上 0.03至0.2倍。因本集團於Dowaer之權益乃以 選81.000,000總元之變動,計入年內派發15, 最,股東資金級少9%至2,712,000,000總元,

短音频器之现金流出模器約為11,000,000樓5元·導致本字理之現金浮頭額少約307,000。 於二零零三年三月三十一日之簡明綜合資3

李流動資產 投資物案·物業,很被及股價 爾督 聯督公司及共同控制機構權益 其他李戒動資產

潔動資惠 哪收等戶合約工務款項 哪收服款 行合於預行款項 短期銀行存款,銀行結錄及現金 其他說動資惠

混動負債 應付客戶合約工在款項 應付簽款及應針費用 一年內到期之銀行借款 其他流動負債

策動设革淨值 牌设度深流勤负债 少數股東根益

非流動負債 一年後到期之銀行信款 長期服務会準備 遞延視項

资温滞值

資本及活貨 22本 36 6

发夏资金

簡明综合现金遊動表如下:

理含集務之現金(滅出) 病人淨額 沒变業務之現金流出淨額 強資活動之現金流出淨額 我会及现金等值项目减少 采前现金及现金等值项目

始轉現全及現金等值模^図

現金及現金**等值项**目等象分析: 短期銀行存款,进行活策及现金 銀行遗支

TRUCTION HOLDINGS LIMITED

(於百萬建注個成立之有限公司)

三年三月三十一日止年度業績公佈

月三十~日止年間每股鐵禪盈利時,由於本公的開設權。 腐敗植建及者抵押可決 及35年度善設平均市為價格,因此或薪赁股本公司課政權、 超度程度及有抵押可 25年度善設平均市為價格,因此或薪赁股本公司課政權、 超度程度及有抵押可

-8上財政年度,本集團之餘合營養額降至約3,636,000,000港元,與

以现外所作业用品的,使用7.52.000.000毫元。 进程接流缓缓得激利约119.000.000毫元,此增是万空变來自Downer EDI 重、强烈本集團無佔Downer在平內之業實乃是據Downer由二字字二年 年十二月三十一日止土一個月乙葉實計算,而宏年之比較數字則根據 年十二月三十一日上九個月乙業實計算,若沒須約 月一日建至二字字一年十二月三十一日止九個月乙業實計算,若沒第約 東Downer優勢之默显冊致海外現項及進任天所得起數而產生。年內無損 取Downer優勢之默显冊致海外現項及進任天所得起數而產生。年內無損

企本を申請別等53.3を12 2. 財政状況相比、由於本集團出售其商店物法及差務、故本集團之態質 1.0能元、在派劃資産署值部增加12%至約524,000,000協元。流動資産股 1.3的集價之1.2倍上升至1.3份。於本年度額東時、安준負價等額比率微跌 計算價之1.2倍上升至1.3份。於本年度額東時、穿茲腦見盤備出現的 定Downer之權益乃以復元計算、而憲元年入升值、專茲腦見盤備出現的 計入年內振受15.000,000裕元之股息、以及資得349,000,000裕元之結 2.712.000,000繳元。

约是11,000,000地元、而您变及融资之混金筑出净额则為296,000,000地 2.712.000.000 地元

· 均為11,000,000地元,而投資及融資。	2.块金属由于 成构		行使之
。 完	二学等三年 千港元	二年至二年元	291.57 规定於 中衛集
∞投傷	1,090.764 16,136 961,994 837,475	1,856,515 18,442 956,375 675,318	超新 己 公年
崇權益	2,846,369	3,406.650	大部 股 方式
· 溴 · 及現金	200.934 1,073.857 236,096 511,735 2,022,622	375,414 1,371,982 601,690 437,263 2,786,349	80.1000年末至1
9 a.	494,855 775,761 144,423 83,959	613,911 1,135,35 468,26 101.30	7 有
	1,498,998	2,318,83	
	523,624	467.51	
	3,369,993	3,874.10	-
	15,560	15.6	
	637.175 1.727 3,930		884
	642,832	863.	
	2,711.601	2.995	.030
	106.307 2,6 0 5,29	2.891	5,675 5,030
	2,771.60	1	
; :	二年等三 元章	∓ 二 本 李 元	
· 主入 浮 級	(11.0 (172,9 (122,9	52) 30) 68)	22.475 49.335) 40.425)
ė,	(306.5 520.1	(40)	67.285) 88.216
^ن .	213.		520.931

於年堅時,本集團全部借款均获浮動風事計息,並以總元為單位。於出售其酒店物業及相關签 獨貸款後,按借款總額約782,000,000總元及本集團之股東資金2,712,000,000總元計算,本景團之 資本負債比率由壬年年等時之0.43大權下該至0.29。

是五数目、融金政策及開設權計型 種五数目、融金政策及開設權計型 如計及本集團之董事,於二零零三年三月三十一日,本集團共專用約1,250名全職領員、酬金包 近計及本集團之董事,於二零零三年三月三十一日,本集團共專用約1,250名全職領員、酬金包 活動企及在表現個別發放之年錄奏金。年內概集任何應股權理推泛或行使。

及二元章 中三月三十一日、本果團建位約891,000,000港元之若干物鹽及應收股項,以及本公於二元章 中三月三十一日、本果團建位約891,000,000港元之若干物鹽及應收股項,以及本公則用於一個公司之已發行股份應向若干建築合約之收益已抵押干银行及財務機構,為本異國取 有一般信食預費

企用工作。 於本年度法來時,本集團有若干或然負債,其中包括仍然有效之為築合約權的換促者,涉及款 数741.000,000%元、另因聯督公司所提一般與行信賃而向銀行及財務機構提供之擔保,涉及款 第2.004.000%元、另因聯督公司所提一般與行信賃而向銀行及財務機構提供之擔保,涉及款

以關中公司胜如以過股機戰之與金收騰運運 於二冬冬二年十月,灰高財務期間有限公司代表德祥企業集團有限公司(「德祥企業」)之全資的 於二冬冬二年十月,灰高財務期間有限公司代表德祥企業集團有限公司(「德祥企業」)之全資的 屬公司Hollyfield Group Limited (「Hollyfield」)提出現金收落建議,確以收職本公司之所有股份 及認股權證,惟理并企業或其全支附屬公司已集現有之股份及發股權證條外。接此,於二等等 之理股權證,惟理并企業或其全支附屬公司已發行股本超過50%,因由為本公司之 二年十二月收測建議至某時,德祥企業間接持有本公司已發行股本超過50%,因由為本公司之 重新提及公司。

已盈行證券 於年於時,已發行股份共1,063,016,037股,另有合共認購16,100,000股股份之尚未行使購股權。 於年於時,已發行股份共1,063,016,037股,另有合共認購16,100,000股股份之尚未行使或過29,006 共認購價依為每股0,5552權元,年內,攝無任何購股權優投出或行使、而可認課認過38,349,206 股股份之隨股權已於华內失效並註朔,其認實很為每股0,604權元。年內,本公司始後20股份 方式或不合共26,271,113股股份。於本年度驾史時,本公司共有204,920,349份而於20年度 財式或不合共26,271,113股股份。於本年度驾史時,本公司共有204,920,000,000陽元之至股 取成于许有人强利可扩始少据課便每股0,40地元,以现全認購基多價值32,000,000陽元之至股 。或于许有人强利可能分析。數等認及權證可於二季等三年八月二十九日或之前隨時行便,而數至二季等三 0,10据元股份、該等認及權證可於二季等三年八月二十九日或之前隨時行便,而數至二季等三 0,10据元股份、該等認及權證便行使

末期政學 董事局通過這獎向二零零三架十月六日辦公府斯结束時名列本公司股東名冊之股東派付銀堂二 董事局通過這獎向二零零三架十月六日辦公府斯结束時名列本公司股東名冊之股東派付銀堂二 零零三年三月三十日止年度末期股息每股1跨仙(二零零二年:每股1陪仙),頂期末期股惠會 以郵務方式的於二零零三年十月三十一日派付予股東。

暂停網線取取受記字模 本公司將於二冬字三年十月二日至二字字三年十月六日止(資及用日包括在內)之期間暫停辦理 本公司將於二冬字三年十月二日至二字字三年十月六日止(資及用日包括在內)之期間暫停辦理 收束學記字號,於取取關門將不會登記任何數份之課課。如故聽數機飛之末期數見,所有股份 過戶文件規則有關股票,數是須於二字字三年九月三十日的問題之會與東亞銀行港灣中心地 戶下記記處秘書閒靠且落有限公司以供登記,地址為各港灣仔子士打造56號東亞銀行港灣中心地

二零零三年認證權證附帶之認願權展滿 已發展密持有人發靜注意,認股權深(「二零零三年認股權發」) 附帶權利的認識本公司委股固保 即便稱密持有人發靜注意,認股權深(「二零零三年人兒二十九日下午四時後屆请。一份與有二零 0.10杨元之股份,英認履權將於緊腹二零零三年人兒二十九日下午四時後屆请。一份與有二零 零三年認股權政權商解情之通內持會基供者予認股權受持有人。

聯風、山田以頭四年公司之上中建學 於鐵至二字字三年三月三十一日止年復內、本公司或其任何附屬公司被照應頁,出售或贖田本公司之上不證券、

501,590

213.991

236,096

四個的不可知為 本集團將會繼續實施別領成本及精簡措施,首在充分提升或本效益、以應付市場上自立成烈之 本集團將會繼續實施別領成本及精簡措施,首在充分提升或本效益、以應付市場上自立成烈之 本集團將會繼續實施別領成。有日共商之德國及多元化之客戶毒補:本海國政力能持不身在及10以及青 東歐歌。通過在一個化之投制,並已來得多項大型工程合為如果也大型工程合為的。包括資訊住宅發 服務方面之而工程第二本年元該第第2本本集團再理判案他大型工程合為。包括資訊在多所工 交灣百日及, 是項目及,

值管本為國以香港為萊務基地,惟國內市場亦區潔顏大之集務發度複合,故本提團亦會把處即 職、在國內元段樂期。接打更景密經寬開係安城後,四內市場將會更自由開放;使本是團從自 或內元及樂期。接打更景密經寬開係安城後,四內市場將會更自由開放;使本是團從 可 可 可 可 行發及計劃定伐加快。本集團亦會與疾前其及安計劃,以期在更聚密經貿頭保中養益。 建安全效果运外判禁制,Downer在强制及南大平岸地基正盘发有利集级,预用建等向发展。

30-JUL-2	2003	16:33 FROM PY-ITC (Legal Departme	ent) TO		28106242 P.10/13
		+852 2372 0641 ====================================		5.343,810	第二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十
Ĩ		是 1	二零零三年 千澄是	二字字二年 子總元	本即领金及现金等值项目
		≇受工程及其他承包奠括: 理学定类工程 土术工程	(49,625)	7.756	结等现金及现金等值项目
		二木上性 毛球工程 定焚材料	(56,092) (55,264) (21,324)	19.210 (25.079) (20,394)	现金及现金等值项自编综分析: 短期级行存款:銀行结像及现金 级行选支
			(173,305)	(18.507)	联行 经支
		爾匠及者飲 /政技3) 物理包受 領密包授	(1.972) 25,749 209	(13.607) 21,994 28,308	業器
			(149,319)	18.128	合約工程及建築材料 年内・本集国取得之新工程合約線值約2,53(
٠.		物类、换板及设得之效值后接	(116,327)	-	工程合约、約191,000,000港元為土木工程全 年度額京時、持有工程合約價值及尚錄之工
		· 电国分類:	(259,646)	18.188	约10.358,000,000接元及18%至约4,935,000,00 如下:
1		本典語之哲業部茲地區市場分析如下:	#8 8 ##	_ ~~ *=4	
		李始	子港元 3.609.919	≠要元 5.262.550	m cr = 60 - 7.50
		中华人民共和國	26,263	81,256	(核字建築工程 土木工型 享項工程
1	3.	出傷は止患を異ち之前後	3,636,182	5,343.810	李 ダ土位
		於二字之二年七月、本趣國訂立有條件質更協議、以現在代信約250,000 公司(國國案附屬公司統稱「珀廣綱店漁師」)之全郡已會行股本及份予設 及會敦藏營。有限交易已於二字之二年十二月二日今歿成、出与田澤嗣原 元,乃根據出告所得敦政戰計爲公司安產等位之爰面值於第。是項理』	0,000地元,四世形 公司之股東實數, 與國所引致之虧損	基本治療服育院 整公司從事價店 的為1.701.000數	部份主要合約如下:
	4.	元,乃根據古奇斯等家項或指屬公司安定序值之版面值計算。是項文里 數理(數据) 溢到	5 並無重定任何取割	B間支政抵免 ·	·
		下列之题图(虧限)資利乃和黨物之、模製及股票之折舊及繼續發得出	二本本三年	二类字二句	
		自堂資 高	チ度元 79, 00 3	千總元 76,321	中型長江祭属中心 数高總住宅發展工程(合約R)。及R1b) 青衣酒居上還工程第2期
}		以財務租約及租赁合約特有之資獻		6,710	有衣酒店工工工程表表现 兩丫發電站護建計劃之地幾乎整工程 將軍養73A區第3期
l	ı	策:在建工程操作安本之意境	79,001 (906)	83,091 (4,099)	有一天 (2015年) 2月 石 宗 (2015年) 2月 韓 (2015年) 2月
		eSUMM / har ser \ rive = 3 - 200 mm	78,095	78.932	香港事來受徹底客房觀新工程 亞太衛星於大塘工業村之 電訊港上選工程
	5.	段堂(原文) 收入滞留	二年等三年 千海元	二 本本二 年 千海元	其 他
	1	利息收入 飲物業權益營回確認之減值虧損	9,550	38,312 53,829	於本年度結束後,本集團取得之其他新 含的變
1	•	出售長期及短期投資所產至之收益(無強) 博德 极度之業值虧積及持有投資之未是现虧循环版	1,605 (43,191)	(17.203) (4.222)	為懷字建築工程合約、約938,000,000形元為主 約、該等新取得之合約包括東南站發展項目第
1			(32.836)	70,714	路續關工卷(合約金額連678,000,000總元)。 普通之建築工程項目總值持續下降,政府一五
	6.	A 二年受一年 二月中 、 Parana Phrt (indicate / parana) / ex ちょたへの ナ	附属公司)成為本語	基据之主要职责	計劃經算第之住宅單位,因此公營機構在過在 豐富經驗及優良衣衛,本樂團在經境之中依然
Ì		公司,Downer为一個在侵跡及亞西亞上市之公司,其對於中世界公司之 日本,本集國只全樣用及以會平依計算Downer已刊等之前有資本。因此 或太是为根據Downer也二季李二年一月一日至二季李二年十二月三十 項計算。此上年之比較數字別根據Downer也二年李一年四月一日至二季 同之音樂都及深續計算。	大月至十旬。由二: - 本集團本年度應(一日止十二個月來)	等等一年四月一 EDowner之營業 四2季素額及素	補價在公營模構收益方面之損失。儘管如此、7 本集團亦發獨多其身,合約工程業務之營業額
1		項計算、前上年之比較數子別根據Downer由二年年一年四月一日至二本同之母業務及減續計算。	本一年十三月三千	一百正元智分期	采工程,土木工程及專項工程三次合約工程業 建築材料部門年內編編業遊規模。將經營虧損
1	7.	8.7	二等等三年		李集部学內以代價109,000.000港元, 購入一項工 返用作為製造預製很養土產品之緣也・由於市
-		文出包括: 专连判得及	、平海光	千毫元	定摘是重连新到,並按該物業之位的可收回金 物業、潛度及 全数 業務
		发生度" 先前年度炼输不足(超額應個)	42 22,471	7,721 (638)	物果。 內容及實際集份 本集團之投资物業組合包括本集團位於駅塔之; 故及位於中國之若千投資物業。
		海外交项	22,513 5,453	7.083	通管年內投资物策之整题租金有所下调,
j	٠	獨化聯督公司 建筑之联项 遺化共同控制 禮容當或之 积 农	36,484	47.924 12	時,保存企業中心之佔用率維持在約92%左右 約為75%。完成出售國泰斯李錄下之數個在宅》 出售賽到。
į		螺旋配度	(4,450 (31,954)	54,409 (6,474)	於二零多二年七月,本秦周訂立一項協議,以为
I			32,496	47.935	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)
		香港利得及乃根據本年民族自香港之信計應該稅區利班股東165(二等)	李二年: (6%) 計算	•	本集團年內就兩項位於展東合山市之土地訂立上 42,000,000總元。該等物學可作高獎、金融及住戶 銀之形式空付予本集團。
		域外長項根據有關可法權區之現準計算。 越延及項按本年民國生之時差項目作出拒償。			主法等号公司~DOWNER
l	8.	股島	_88 = ¢	二年本二年	截至二零零二年六月三十日止年度及截至二零等 得2,430,000,000度元 (10,458,000,000港元)及1,21:
1		己位二字字艺华中期配息一译版1,0卷仙(二字字二字:每放1,0卷仙)	<i>干滑元</i> 10,491	テ藤元 10,246	除稅稅盈利移額56,000,000提元(245,000,000推元 結束時,本集團持有Downer之354,674,194股股份
a-ia		養製工字字三年本類股易~各股1.D★仙 (二字字二年:卷股1.0泰仙)	10,630	10,367	而被全面繼禧基準計算,則的相當於32.25%。 Downer乃一家著名工程及基建管理服務供應商。
- 1		。 己村二本字二年末賴政息-亞政1.0拾他 (二字字一年:母股1.0拾他)	10,367	9,925	有訊、電力以及製剤及資源行量提供服務。 Downet A 表洲壁身交易所150家頂尖上市公司之一
		本华定数基之以於代息應同理全度超極之末將於息數額乃多照(,063,01)			18傑演元(84傍禮元),福殷人數館10,000人。Dc 電力、微路、導路、管訊、職務及療產加工行整
۰ م	9.	65.23(前長) 窓利 年內每股基本及預算 (結損) 盈利乃希提以下数据計算:			務範疇由同學擁有所專注物心乘影之五個經香部 及資產管理及整修保養之增值沒巧,為零戶提供
1			二 多等 三年 <i>手潜元</i>	二字字二年 子语元	Downer之話門古: Downer Engineering (工程部) Mining (最硬部門) · EDI Rail (銀路部門) 及Centu
-		(虧損) ②利: 計算等改善本 (虧損) 盈利之 (虧損) 资料	(348,716)	70,703	主要投資一中報集團 於年經日,本集團於中眾集團持有14.55%股權。
I		提在實際各通效之效應: 基於一同聯修公司各股盈利獲得之徵佔與提獎施	(2,944)	(2,892)	於解交所上市。顧公司從事論胎製造、物業投资。 以及提供成遊代理及宿店服務。
i		計算每級繼齊(監視)查利之(結婚)盈利	(351,660)	67.811	流動資金及資本來源 本美國或其整體建薪香總梁與會慎之賢金及財務;
1	•	股份數目: 計算存起基本及歷第(虧搞) 極利之參號股加權手均数	.042.310,331	1.002.325.1-16	年內,本集團獲296,000,000度元之新信銀行資款 於時間後8季數長,國家關中一年至十年不容。
		在計算數至二字字三年三月三十一日止年產曲證數釋虧價時,並然假設 情況,因確等之行便個高於本學度等股平均市場價層。	本公司舞股權及認	被權器被兑卖之	732,000,000接元:其型144,000,000接元須於一年內 於二字字三年三月三十一日之現金等餘為236,000
1		المن موروع المن المن المن المن المن المن المن المن		٠	·

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(306,940) 520,931	+852
213,991	520,931
236,096 (22,105)	601,690 (80,759)
213.991	520,931

的學值約2,536,000,000能元·其中約2,084,000,000能元為權守建簽 另土木工程合約,以及約261,000,000擔元為專項工程合約。於本 這及尚餘之工禮價值相較上一個新致組度結束的分別下降29%至 54,935,000,000總元·於二零零三年三月至十一日之持有合約資料

金

及RIb)

长工程

10號之上盃工程

北流江程

二	二等等三年 三月三二日 一日 一日 一日 一日 一日 一日 一日 一日 一日 一日 一日 一日 一日
8,179 1,346 833	4.216 303 416
10,358	4,935
二等等三年 三月三十一日 三月二日 持有工程合的價值 百萬潛元	二零 章 三 年 三月三十一日 徐下三根 信息
2.890 2.55% 1.020 684 490 397 288 231 173 1.627	82 2,241 777 91 201 397 272 82 74
10,358	4,935

其他新合的原值的為1,765,000,000港元,其中的542,000,000地元 1,000港元為土木工程合的及的285,000,000,000港元為專項工程合 的發展沒其第四及第五期(合的金額建500,000,000港元)及元明公 1,000地元)

一院,政府一直致力修可房屋政策,特別是副域提缴居当有其限 一營機構在過往前年內大幅副越權字應業工程。憑藉見好信譽、 一經城之中依然與資在私營機構方面取得新樓字建築工程合約, 、儘管如此、市場上之建築工程數目大幅減少,最爭更為歲烈、 一個數之營業額及邊際當利亦歷免下降。因此,本集團之樓字建 一大合約工程或游範疇均數得虧損。

孙您管后摄解符在的21,000,000港元·與去年之水平相若·

元·爾入一項工業用途結合物或之100%權益。該物案位於元朗 場也,由於市場對預盟應顧土實數起件之需求減少,本氣團決 估計可收回金額在幾日中作出撥備。

圆位於敦婷之總部保郵企業中心、位於灣仔之際物商場國荼新

所下灣,李而佔用華依然維持在令人演念之水平,本年度結束 在約92%左右。由於李曾市遊仍然搜尋,貿易新域之出租率則 下之数個住宅單位後,本集團成功將全部特作轉售用途之物變

一項協議、以250,000,000終元之代價向中類集局有限公司(「年 至有限公司(「珀麗酒店集團」,前職中國置此集團有限公司)出 於二苯率二年十二月二日完成。

《之土地訂立土地便用權出讓合同,涉及之出讓金額合共約為 案、金融及住宅發展用鑑;並將會在本年度內以交言及平聽地

三及報至二年中二月三十一日止六個月 : Dowaer分別錄 30继元) 及1,217,000,000表元 (5,210,000,000卷元) 之收入,以及 43,000,000卷元) 及22,000,000表元 (94,000,000卷元) · 於本字底 [674,194股股份 : 約相當於其當時已發行普通股本之36,57% · 於32,25% 。

三風落供應商,為澳洲、紐西蘭及亞洲之鐵路、公私營道路、 三供服務。

ering (工程部門) · Works Infrastructure (基建部門) · Roche 分部門) 及Century Resources (安徽服務部門) ·

14.55%股權。中策集團為一個多元化發資控股公司,其股份 在,物業投資及發展、製廠、零售及分銷要品及健康產品。

之資金及財務政策,從有多項信貸作為其所獨之營運資金。 新階銀行受款。有額款項已用作一股營運資金。本集團之貸 至十年不等。於二等等三年至月三十一日,本集團借款共約 1元須於一季內價值。另外638,000,000港元須於一年後價達。 對錄為236,000,000港元。 2372 ①64 操作有类,业已取得多项大型工程合约。例如数阿德任实现使工程来la处16以及有限项目及无限的人类等工程等。本年度结束核、本要图写强则实验大型工程合约。包括案派任名要表现企及无明公济最简工程,合约取额组1.765,000,000格元。本集图有信心已经全乘得更多新工程项目。

磁管平集團以香港為集務基地:惟國內市場亦風藏藏大之業務發展機會,故本集團亦會把握時模、在國內大展蒙認。簽訂更累密經貿關係安排稅,國內市場將會更自由開放,但本集團在國內實行發展計劃多世加快,本集團亦會再來討其投資計劃:以期在更緊密經貿關係中逼益,

随者全球與惡外判或將,Downer在復洲及南太平洋地區正處於有到運地,預期藉著向採廠,電力,嚴認,恆路及逐訊實等目標而為之多戶提供全面服務,Downer之業签將會穩步增長。根據在第:Downer之型利一直穩定增長,獲專有信心Downer將有助本集團建築經濟穩定之收入來源;並且為本集團幾升投資價值。

展望將來、本集團會確密越軍已受得理想業務誘機之不同地壓市場 (惟本集團主要專注於中國市場)及投資於盈利增長力強勁之項目,繼續實行多元化發展業務及分散投資之策略。在排除證外情況下,本集團有能力把握新獎會及應付日後之挑覆。

致邀

在聯交所對頁營輸棄領

载将上市规则附级十六第45(1)至45(3)股所规定全部資料之本集團截至二季零三年三月三十一日止华度学細葉類公布,將於稍後在聯交所網頁卷載。

承董事后命 主席 陳國教授士

争港,二零多三年七月二十一日

本公佈之全部內容可於本公司之類此獨置:http://www.pyitc.com

股東週年大會選告

藏國告保夢想得應類集團者組公司(「本公司」)對於二零本三半九月八日星期一上午十一時三十分依席寄妻九龍 觀想稱單道51號俱奉会數中心12使暴行股末選年大会,要以盧電下列事項:

- 1. 智覺我至二零字三年出月三十一日近年度之境響在裝图,董事局報告客及檢數節報告書。
- 2. 直接截至二零零三年三月兰十一日止年民之宋朔股惠·
- 5. 真螺送任董事並蓋定董事酬会。
- 4. 推跨板数距应按模型多局层定其能企。

填的摆加松剂和

- 5. 作為特別學項,考慮及節情遊過下列與鹽業為普凱英麗獎;
 - (A) 「動業符令危險合交易所有限公司上市或員會批准因行便機遵本公司於二零字二年八月二十七日共約之獨股權計劃(「蘇討劃」)可說便出之傳股權而猶予發行之本公司股本中每股面值0.10毫元之股份(「股份」(即股分限通過本按顯美日閉已發行股份之10%)上甲及實資優、批應實訂設計劃及本公司所有其他應股格計劃「是多為通過本按顯美日期已發行股份之10%(「實可授權限額」),或受權本公司其事執行任何行動及新訂任何文件以供實可投權限額得以生效。」
 - (B) (動職:
 - (i) 在本央接案(iii)分段之限制下,一般及無條件推准本公司董事局在有額期間(如下文所定義)內行使本公司所有權力、以邀後、發行並奠置本公司版本中之類整份。並作出或授予可能領行便此等權力之告股建議、海通及轉數權;
 - (ii) 本央提及(i)分级之批准授權本公司董事局權有關期間內作出收使予可數組於有國期間除止後行使 此等權力之言級建獨、協議及解稅權;
 - (iii) 本公司董多局依据本失職業(I)分股種指應配發或同意消傷作或無悔件配替(不論是否促滅嫌疑權 或其他)及發行之股本國值應額(向股系配售新裁(如下文所定義)面配發考或任何可認需本公司 股份之未行便國股權監查(新義基本公司股份之股券之證課權或換股或行便而配發者或依據本公 司之侵左親股權對對兩面整章除外)、不得每週本公司於本決職案日期之已發行股本國值即經 分之二十、而上巡批律亦須受此數國限制;及
 - (iv) 改本決議委而官:

[存職期間]乃指由本決職委通過之后初至下列三項之差早日期止之期間:

- (a) 本公司下屆股東週年大會結束;
- (b) 依然序公司之公司四别或任何返用之法例规定报题行下超股重题年大会之期限局满時;及
- (c) 本公司股東於股京內會通過普遍決議案撤銷或修訂本決議委所屬列之授權。

「配售新脫」乃指本公司查察局於指定期間向於指定配應日期在則股東名與之股份符准人按其實驗特股比例發售新脫(他本公司董事局有獨在必賴政權宜之情況下歐零級政權或發施以外任何地 第二法律院制或責任及任何每可會制機構或證券交易所之規定過取消若干股東在此方面之權利效 另作安排),」

(C) 7登簿:

- (i) 经本块额卖(ii)分歧之规制下。一会及然委件把偿本公司董事局在有益期间(如下交所定款)为行 使本公司所有權力。以歸回本公司已發行股本中之股份。或作出可能頒行使此等權力之意股定 額、協議及講股權。依該提守所有適用法例及本公司之公司諮詢之規定。
- (ii) 本公司依疑本失漢案(i)分趾推定者關到阿內羅同之立公司股本指值總額。不將思議本公司於本決 益素日期之已變行數本而值無額百分之十,而上这批案亦須受此數額限額;及
- (iii) 数本決盤契而方:

《有關期間』乃指由本映像或通過之日與至下列三項之最早日期止之期間:

- (a) 本公司下海欧莱通年大會結束:
- (b) 依照本公司之公司越制或任何逐用之族例提定须即行下局股票遵军大会之期级品有两;及
- (a) 本公司股京於股東大會通過各項決議素推夠攻修訂本決議案所寫列之授權。」
- (D)「動語在召開本大會通告第5(C)項決區类獲俸極過之条件下,本公司依建實事局便上文第5(C)項決陷 契斯也之表權而與內本公司已發行股本之面值國題,而計人本公司董事局根據召開本大會通告第5(B) 項決議為可尼發及同意有條件或無條件配發及發行之股本面值無義內。」
- 6. 處原本公司任何其他普通事項。

朱董孝局的 老者 "格群红

谷德 (二字字三年七月二十一日

完要學獎地數: 每接 九羅護雄 跨麗遊幻教 保養企業中心到模 能學學是 Clareadon House 2 Church Street Hamilton HM 11 Bermuda

断注:

- 凡有權出席上述大會及公會上投算之股東有權勢任一任代及代義出席大會及投票,爰安代表投票為本公司之股東。
- 2. 代表委任委特度開簽等人之達權者或其他授權文件(如何) 反然由公認人簽書證明之授權者或其他授權文件 例本,必須於大會或其任何媒會者定召開與制43小時前進文管権九種觀憶時價班51號但即企業中心引進本公司主要者無地點,方為有效。
- 4. 本公司将由二字等三年十月二百周期的至二等字三年十月六日左周一(包括古史唐白)等导家现象公總戶墊 完了機一以底定階號之次期股急的前、家上提期可求會在配款份之等語。如款應差據應之次期股星、期間 完二零字三年九月三十日基期二十年四時的治時不服從過過了定年,讓因而設定地交之公司之帶階級份趋 戶金配處秘書而資服務有限公司,如此為各種履行会士打運56號東亞銀行指揮中心地下。

The Standard Tuesday, 14ty 22, 2003

The Since Exclusive of Hong Rong Limited takes no responsibility for the consent of this aunauncement, makes no representation as to its acceracy or compliantess and repressly disclaims any finitility that seems for any loss howsoners arising from or in reliance upon the whole or any part of the consents.



ITC CORPORATION LIMITED

CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Incorporated in Bermuda with limited liability)

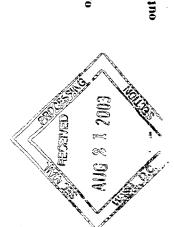
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HANNY HOLDINGS LIMITED

(Incorporated in Berninda with limited liability)

PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (Incorporated in Bermuda with limited liability) ITC Corporation Limited, Hanny Holdings Limited and Paul Y. - ITC Construction Holdings Limited Possible discloseable transaction for



outstanding China Strategic Warrants, other than the China Strategic Shares on behalf of the Offerors, each being indirect wholly-owned subsidiary of Mandatory conditional cash offer and increase in offer price by and China Strategic Warrants presently owned by the Offerors Paul Y. - ITC Construction Holdings Limited respectively, and to cancel all outstanding China Strategic Options to acquire all the issued China Strategic Shares and and partles acting in concert with them, Kingsway SW Securities Limited Hanny Holdings Limited and

Financial Adviser to Hanny Holdings Limited and Paul Y. - ITC Construction Holdings Limited



Kingsway Capital Limited

After the thicknee on 9 18ty 2003, the Offerors and their conceit narries are interested in 201 674 thin Chain Strategic Shares some environments it 16% of the issued that canifold of China Strategic thus tribering a mandanum

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ners we precious on yours, the Official and their concert parties are interested in 291,675,600 Chind Strategic Shares, representing approximately 35.16% of the issued share capital of Chind Strategic, thus triggering a mandatory offer during the offer pried of a voluntary offer under Rule 26 of the Takeovers Code.

Increase in offer price ander the Share Offer

EUNEU.4

HK 50, 139 The Offerors have also informed Chinn Strategic that Kingsway SW Securities, on behalf of the Offerors, will stand fit the market to acquire other China Strategic Shares at a price of no more than HKBO.139 per China Strategic Share from HK.W.1 to The Offerois have notified Chinn Strategic that, to make the offer pulse under the Share Offer more attractive to the China Strategic Shareholders, the offer under the Share Offer is to be increased per China Strategic Share, representing an increase of 39%. The Offer will be edjusted accordingly. Save for the above, no other changes to the Offer are currently being under.

Suspension and resumption of trading

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pending the At the request of the directors of UTC Corporation, Hanny, Paul Y. - ITC and China Strategic, trading in securities of these companies on the Stock Exchange for the Exchange for the rexumption of trading in securities of ITC Corporation, Banny and Paul Y. - ITC with effect from 9:30 a.m. on 22 July 2003 of the joint announcement. Application has been made to the Stock Exchange for the rexumption of trading in securities of ITC Corporation, Banny and Paul Y. - ITC with effect from 9:30 a.m. on 22 July 2003

The suspension of trading of the securities of China Strategic on the Stock Exchange will continue, pending for the announcement of other price sensitive information.

Investors are advised to exercise extreme caution in dealing in the securities of ITC Corporation, Hanny, Paul Y. . ITC and China Strategic as the Offer is subject to a condition. It may or may not become unconditional. China Strategic Whereautholders are advised not to take any action in councetion with the Offer until they have received advice from the Independent Doard Commillere.

Reference is made to the joint announcement (the "Announcement") issued by ITC Corporation, Hanny, Paul Y. - ITC and China Strategic with respect to the Offer dated 8 July 2003. Terms defined in the Announcement shall have the same meanings when used herein unless provide otherwise.

In order to increase the aggregate shareholdings of the Offerors in China Strategic to over 50% of the issued share capital of China Strategic, Kingsway SW Securities has been appointed by the Offerors to stand in the market to acquire China Strategic Shares at a price of no more than JIKSD-10 per China Strategic Share. An 9 July 2003, Kingsway SW Securities, on behalf of the Offerors, purzbased 49,665,400 China Strategic Shares, representing 5,98% of the issued share capital of China Strategic, at the open market at a price of HK30-10 per China Strategic Share. After the purchase on 9 July 2000, the Offerors and their concert parties are interested in 291,675,000 China Strategic Share. After the Shares, representing approximately 35,16% of the issued share capital of China Strategic, thus tikggeting a mandatury offer during the offer period of a voluntary offer under Rule 26 of the Takeovers Code.

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Save for the increase of offer price hader the share offer, the terms of the inandatory offer will be the same as the terms of the original volumary offer and the mandatory offer will replace the voluntary offer.

increase in offer price under the Share Offer

The Offerors have notified China Strategic that, to make the offer price under the Share Offer more attractive to the China Strategic Shareholders, the offer price under the Share Offer is to be invitased from 11K50.1 to 11K50.139 per China Strategic Share, representing an increase of 19%. The revised offer price of HK\$0.139 per China Strategic Share payable under the Share Offer represents:

- <u>ਵ</u> ਵ 5 5 a discount of approximately 4.14% to the closing price of HKSO 145 per China Strategic Shares at quoted Stock Exclange on 10 fuly 2003, being the fast stading day on which China Strategic Shares were traded Stock Exchange paior to its suspension of trading:
- a premitte of approximately 41.125 to the average closing price of IKK80.0985 per China Strategic Share as quoted on the Stock Fachauge for the ten consecutive Itading days up to and including 10 July 2003;
- a preminus of approximately 54.96% to the average closing price of HK\$0.0897 per China Strategic Share quoted on the Stock Exchange for the thirty consecutive trading days up to and including 10 July 2003; and
- a premium of approximately 54.27% to the average closing price of HKS0.0901 per China Strategie Share as quoted on the Stock Exchange for the six month period up to and including 10 July 2003. The consideration per China Strategic Share payable under the Share Offer tepresents a discount of 93.32% on the ner osset value per China Strategic Share of HK\$2.08 based on the audited accounts of China Strategic as at 31 December

The Offerors have also informed China Strategic than Kingsway SW Securities, on behalf of the Offerors, will stand in the market to acquire other China Strategic Shares at a price of no more than JIK\$0.139 per China Strategic Share until the end of offer period. The Osfice with be adjusted accordingly. Save for the above, no other changes to the Offer are currently being made.

As at the date of this announcement, the Offerors and their concert parties are interested in 291,675,000 China Strategic Sharts, representing 35.165s of the issued share capital of China Strategic. Atsuming full seceptance of the Offer, the cash consideration payable by the Offerors at the offer price of 11K\$0.139 per Clinia Strategic Share, HK\$0.001 per China Strategic Share, HK\$0.001 per China Strategic Warrant and 41K\$0.001 per Clinia Strategic Option with increase from approximately 41K\$28.9 million to approximately 41K\$74.9 million.

Kingsway Capital has been appointed by the Offerors to advise them in connection with the Offer and Kingsway. Capital is satisfied that sufficient hinancial resources are available to the Offerors, from a boan facility of HKG60 million granted to the Offerors by Kingsway SW Securities and the remaining JK8149 inition will be financed by internal resources of the Offerors, to enable the Offerors to satisfy full acceptance of the Offerors, to enable the Offerors to satisfy full acceptance of the Offer. Pursuant to the home

and mortgage agreements between the Offerors and Kingaway 3W Securities, the Offerors agreed to pledge their 190,985,000 China Strategic Shares beneficially owned by the Offerors and any China Strategic Shares to be ocquired in the Offer to Kingaway 5W Securities to secure the loan facility granted to the Offerors by Kingaway SW Securities.

An offer document setting out the terms of the Offer, and acceptance and transfer forms will he sent to all China Strategic Shareholders, Chun Strategic Watranikolders and China Strategic Options holder on or before 29 July 2003 In accordance with the Takeovers Code.

Suspension and resumption of trading

At the request of the directors of JTC Corporation, Hunny, Paul Y. - ITC and China Strategic, trading in securities of these companies on the Stock Exchange was suspended while facted from 9.70 a.m. on 11 July 5003 pending like release of this joint antionneement. Application has been able to the Sexhange for the resumption of trading in securities of ITC Corporation, Harry and Paul Y. ITC with effect from 9:30 a.m. on 22 July 2003.

suspension of trading of the securities of China Strategic on the Stock Exchange will continue, pending for the announcement of other price sensitive information. Investors are advised to exercise extreme cavilion when desiling to the securities of ITC Corporation, Fanny, Pant Y. - ITC and China Strategic as the Offer is subject to a candition. It may or may not become unconditional. China Strategic Shareholders and China Strategic Abarentantholders are advised not to take any action in connection with the Offer intil they have received advice from the Independent share Committee.

By order of the board FIC CORPORATION LIMITED Chau Mei Wah, Rosenge Managing Director

By order of the heard HANNY HOLDINGS LIMITED Lui Siu Tsueu, Richard Deputy Munaging Director

H. Y. - JTC CONSTRUCTION HOLDINGS LIMITED Chau Mei Wah, Rosenin By order of the board PAUL Y. - JTC CONSTRUC

By order of the beard CHINA STRATRCIC HOLDINGS LIMITED Dr. Chan Kwok Keung, Charles

Hong Kong, 21 July 2003

Se

The directors of ITC Coreotative fointly and serverely accept full expositibility for the occorety of the information counsised in this announcement after than that relating to Hamp, Paul X. ITC and China Strategic and confirm, busing made all revenable engagings. It is to the bases of their shareflest, positives, expressed to this announcement after than these relating to Hatory, Paul X. ITC and China Strategic have been arrived at offer day and confirm and these are no other focus and restanced in this announcement, the autistion of which would make any statement in this announcement mixtending.

The direction of Hossy jointly and severally occupability for the accuracy of the information contained in this immournant other than the relativistic points of the composition. For INC Composition, Ind. For the control is the breat of their investigate and belief, apiation experiency in the burst of their investigate on the little statement of the control of the

The discense of Past 1: - IPC jointy and stretally accept full responsibility for the accounts of the information constained in this obstances other than for relating to IPC Corporation, Anny and Chian Strategie and verfirst, howeig word all recurrently respected in the best official documents and being to IPC Corporation, flavor and Chian Strategie bove been prived at ofter the analysis and vertically consistention and the error and the past of the strategies of the strategies bove been privated at ofter the and vertically consistention and the error part of the analysis of which mank volumes in this amount enemy stilleding.

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2003 年 7 月 22 日 星期二



香港鄂含支易所有阻公司对本公佈之内容视不负责:對其準確性或完整性亦不安表任何學明·並明確表示视不就因本公佈全部 或任何部分内容而虚生或因倚朝核等内容而引致之任何损失承擔任何责任。





ITC CORPORATION LIMITED CHINA STRATEGIC HOLDINGS LIMITED (德 祥 企 業 集 團 有 限 公 司)

(於百萬進姓冊成立之有限公司)

中策集團有限公司

(於哲學註冊成立之有限公司)





HANNY HOLDINGS LIMITED (錦 興 集 團 有 限 公 司)

(於百器連註冊成立之有限公司)

PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保華德祥建築集團有限公司)

(於百墓建驻海成立之有限公司)

德 祥 企 業 集 團 有 限 公 司 、 錦 興 集 團 有 限 公 司 及 保華德祥建築集團有限公司 之可能須予披露交易

滙 富 証 券 有 限 公 司 代 表 收 購 人 (分別為錦興集團有限公司及 保華德祥建築集團有限公司之間接全資附屬公司) 提出強制性有條件現金收購建議及提高收購價, 收購全部已發行中策股份及 尚未行使之中策認股權證 (收購人及與其一致行動人士現時擁有之 中策股份及中策認股權證除外), 以及註銷所有尚未行使之中策購股權

錦與集團有限公司及 保華德祥建築集團有限公司之財務顧問



滙富融資有限公司

於二零零三年七月九日贖貨股份後,收購人及彼等之一致行動人士擁有291.675,000股中策股份之機益,相當於中策已發行股 本約35.16%,故根據收購守則第26條之規定,於自顯收關建議之吹膞建議期間觸發提出強制性收購建議。

提高股份收購建議之收購價

收藏人已知會中策,為使股份收購達識之收購價對中策股東而言更具吸引力,股份收購達讓之收購價已由每股中策股份0.1港 元增至0.139淮元,增幅為39%。收購建罐將會因此而作出相應調整、除上述者外,現時並無就收購建議作出其他改動。

收购人亦已避知中策,於收購建錢期間結束前,滙富証券(代表收購人)將合於市場上按不高於每股中策股份0.139準元之價格 收购其他中策股份。

暂存及恢復習實

图德举企業,錦興,保華德祥及中策之董事要求,上述公司之證券已由二零零三年七月十一日上午九時三十分起在聯交所暫 停買賣,以待發表本聯合公佈。您祥企業、錦與及保並德祥已向聯交所申請由二等等三年七月二十二日上午九時三十分起。 恢復其證券之實賣。

中策證券將會繼續暫停在聯交所買賣,以待公佈其他影響股價之資料。

攀於收驅逐繼須視乎一項條件而定,且不一定成為無條件,故投資者於買賣德祥企業、錯興、保馨德祥及中策之證券時,務 刻格外審懷。中眾股東及中策認股穩證持有人於投發獨立董事委員會之意見前,請勿採取有關收**順建議之**任何行動"。

FRUIT FITTIC (Legal Legantment)

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強制性收觸建議

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A STATE OF THE PARTY OF THE PAR 本公佈乃為德祥企業、錦輿、保華德祥及中策於二零零三年七月八日就收購建讀登表之聯合公佈的公備的前發表。蘇男帝所指 外、公佈所界定之副彙與本公佈所採用者具相同涵蠡。

為使收購人於中策之股機總額增至中策已發行股本之50%以上,派官征券已覆收購入委任,於市場上接不高於每股中策股份0.40 佛元之價格收願中策股份。於二冬零三年七月九日,溫度証券(代表收購人)按每股中策股份0.10進元之價格於公園市場出收購 49,665,000股中策股份,相當於中策已發行股本之5.98%。於二零零三年七月九日購買股份後,收購人及彼等之一致行動人士擁 有291,675,000股中策股份之權益,相當於中榮已發行股本約35.16%,故根據收購守則第26條之規定。於自斷收購建議之收購建 議期間觸發提出強制性收購建議。

除提高股份收購建議之收購價外,強制性收購建議之條款將會與原有自願收購建議之條款相同,強制性收購建議將會取代自顧 收購建議。

提高股份收益連第ラ収職信

收購人已知會中策,為使股份收購建議之收購價對中策股東而言更具吸引力,股份收購建議之收購價已由每股中策股份0.1卷元 增至0.139港元,增幅為39%。股份收購建議應付之經修訂收購價為每股中策股份0.139港元,較;

- 於二零零三年七月十日(即中策股份於暫停買賣前在哪交所買賣之最後一個交易日)在哪交所所報之收市價每股中策股份 0.145港元折讓約4.14%;
- 真至二零零三年七月十日(包括該目)為止連續十個交易日在聯交所所報之平均收市價等股中策股份0.0985港元溫價約
- 直至二零零三年七月十日(包括該日)為止連續三十個交易日在聯交所所報之平均收市價每股中策股份0.0897港元溢價約 54.96%;及
- 直至二零零三年七月十日(包括茲日)為止六個月期間在聯交所所報之平均收市價每股中策股份0.0901港元益價約54.27%。 按照中策於二零零二年十二月三十一日之經審核账目計算。根據股份收期建議就每股中策股份應付之代價,較每股中策股份資 產淨值2.08港元折讓93.32%。

收購人亦已通知中策,於收購建議期間結束前,應當証券(代表收購人)將會於市場上接不高於每股中策股份0.139整元之價格收 蹲其他中策股份 ...

收赐建藏將會因此而作出相應凋整。除上述者外,現時並無效收膊建議作出其他改動。

於本公佈日期,收購人及與復等一致行動人士合共擁有291,675,000股中稅股份、佔中策已發行股本35.16%。假設全面接納收購 建議,收購入應支付之現金代價,以收購價每股中策股份0.139港元、每份中策認股框。20.001港元及每份中策購股權0.001港元 計,將由約58,900,000港元增至約74,900,000港元。

滙客融資已獲收購人委任就收購建議提供意見,而滙客融資信納收購人可從證言証券批予收購人之贷款融資額60,000,000港元。 饔得充裕財務資源,而餘額14,900,000港元將由收購人之內部資源提供資金,從而令收購人可應付全面接納收購建證。根據收購 人與滙富証券訂立之贷款及按揭協議。收購人同意抵押收購人實益擁有之290,985,000股中策股份及收購建議中將予購入之任何 中策股份予瀝富証券,作為瀝富証券授予收別人之党款融资之保證。

载有收赐建箴之條款及接納及過戶表格之收戌建議文件,將根據收賜守則於二零零三年七月二十九日或之前,皆發予全體中策 股東、中策認股權證持有人及中策關股權持有人。

應物祥企業、錦興、保華德祥及中策之董事要求,上述公司之證券已由二零零三年七月十一日上午九時三十分起在聯交所暫停 貿賣,以冷艷拔本勵合公佈。德祥企業,錦興及保華德祥已向關交所申請由江客零三年七月二十二日上午九時三十分起,恢復 其證券之質賣。

中策證券將會繼續暫停在聯交所買賣、以待公佈其他可影響股價之資料。

囊於收臟建議須視乎一項條件而定,且不一定成為無條件,故投資者於賈賣德祥企業、錦興、保華德祥及中策之證券時,務須 格外審慎。中策股策及中策認股種證持有人於接獲獨立董事委員會之意見前,請勿採取有關收購建議之任何行動。

> 承董事會命 德祥企業集團有限公司 董事總短理 周美藝

承董事會命 錦輿集團有限公司 副董事媳短理 呂北泉

承董事會命 中策集團有限公司 主席 陳國強博士

元董革命命 保基衛祥建築集團有限公司 教行董事 周美華

香港,二零零三年七月二十一日

捻祥企堂董事服爵本公佈所载资料 (有關偏興、從華塘群及中്支之資料除外) 之草雄性共同及個副承擔全部責任、且在作出一切合理臺詢程 / 雄器 **建这年所观知及所信,本介佛所表述之意见(有国练典、保善德祥及中发之意见除外) 乃恒寨横周邵之考虑復作出,两本今佛亦幽遗漏其他事實,** 以驻本公债所裁内农有所获等。

结典董事服爵な公佈所裁资群(有關能祥全書·保蒂德祥及中篇之资新除外) 之準確性共用及信则承擔含部責任·且在作出一切合理董詢提·难能 **就投资所保知及所信,本会保价表述之意见 (有调结样会案、保等德祥及中贷之意见除外) 外超客镇用罪之者总征作出,而本企佛亦业遗漏其他事** 實,以效本公佈阶級內容有所領導。

保筝德祥董事武本公佈所获资料 (有陶德祥企業、编舆及中್之受薪除外) 之邓雄位英国及個湖承擔公部責任,且在作出一切合理查詢復、確認就 被等所深剑及所信,本公佑所表建之意兑(有国物群企業、弹樊改中策之意见除外) 乃娘客慎用郡之命愿趋作出,而本公佈亦無遭遇其他事實、以 致本公佈所戴內容有所袋等。

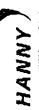
中菜董事领对本公保所裁资料 (有别选祥公案、维典及任事德祥之资粹除外) 之草雄性关阳及伯利承接公母责任,且在作出一切合理查詢提、难能 **放拔等所深知及所信·太公佑所表述之意见 (有简德祥企業、确與发保蒂德祥之意见除外) 为魏霉慎同祥之者总报作出·两本公佈亦典遗漏其他事** 實·以致永公佈所載內容有所談學。

The Stack Bridgings of Hong Rong Limited Inference Interpretated to the contents of this amounterested, makes no representation as so lie accuracy or complianers and liability whatevers for any loss howsover arising from or in reflect manounterpret.



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liabitly)



HANNY HOLDINGS LIMITED

(Incorporated in Bermada with limited Unbility)



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

Incorporated in Bermuda with limited Hability)

Possible discloseable transaction for

ITC Corporation Limited, Hanny Holdings Limited and

Paul Y. - ITC Construction Holdings Limited

on behalf of the Offerors, each being indirect wholly-owned subsidiary of Voluntary conditional cash offer by Kingsway SW Securities Limited Paul Y. - ITC Construction Holdings Limited respectively, to acquire all the Issued China Strategic Shares and Hanny Holdings Limited and

outstanding China Strategic Warrants, other than the China Strategic Shares and China Strategic Warrants presently owned by the Offerors and to cancel all outstanding China Strategic Options and parties acting in concert with them,



CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)



Kingsway Capital Limited

VOLUNTARY CONDITIONAL CASH OFFER

On 8 July 2003, the respective boards of directors of Hanny and Paul Y. - ITC unnounce that the Official, through Kingsway SW Securities, will make a valuntary conditional cash official the put of HK\$0.10 for each China Strategic Warrant respectively, other than the China Strategic Shares and the China Strategic Warrant respectively, other than the China Strategic Shares and the China Strategic Warrant and Dullons at HK\$0.001 per China Strategic Option.

The China Struegic Shares and the China Strategic Warrants to be acquired by Kingsway SW Sccurlica, on behalf of the Offerors, dusing the Offer will be distributed to the Offerors in equal proportion.

The Offer, particulars of which are as follows:

for each Chine Strategic Share for each Chine Strategic Warrans for cancellation of each Chine Strategic Option

Assuming full acceptance of the Offer, the cash consideration payable by the Offerara will amount to approximately HKSSB.9 million.

The Officers have also informed China Strategic that Kingsway SW Securities, on behalf of the Officers, will stand in the market to acquire other China Strategic Shares necessary to Incroase the aggregate shareholdings of the issued thate eapital, provided such acquisitions are made at prices of one more than HK\$0.10 per China Strategic to over 30% of its issued thate eapital, provided such acquisitions are made at prices of one more than HK\$0.10 per China Strategic to over 30% of its issued that aggregate such acquisitions are made at prices of one more than HK\$0.10 per China Strategic to over 30% of its issued that aggregate such acquisitions are made at prices of one more than 14% of the market of the aggregate share and the aggregate share aggregate share and the aggregate share and the aggregate share aggr

POSSIBLE DISCLOSEABLE TRANSACTION

The Offer may contitute a possible disclusuable transaction for Hanny and Paul Y. - ITC. At ITC Corporation has 64.46% interests in Paul Y. - ITC, the Offer may also constitute a possible discloses the disclosests from a first of the Offer will be despatched to the shareholders of ITC Corporation. Circulars containing, among other things, details of the Offer will be despatched to the shareholders of ITC Corporation. Circulars containing, among other things, details of the Offer will be despatched to the characterists.

THE CONDITIONS OF THE OFFER

The Offer is conditional upon the Offerora having received acceptances in respect of vorling rights attached to China Strategic Shares which, together with any voting tights attaching to the Offer, will result in the Offerora and any parties acting in concert with them in uggregale hadding more than 50% of the voting rights attaching to the China Strategic Shares.

GENERAI.

Kingkway Capital has been appointed by the Offerat to advise than in connection with the Offer and Kingsway Capital its satisfied that pufficient financial resources are available to the Offerors, from a loan facility of IKS6D million grouted to the Offerors to enable the Offerors to satisfy full acceptance of the Offer.

Under the Takeovers Code, the Composite Offer Document is required to be despatched to China Strategic Shareholders, China Strategic Warrantholders and China Strategic Options holder within 21 days from the date of this announcement.

Pirst Shanghal has been appointed as the ladependent fluencial advisor to an and reasonable.

Investors are addised to exercise extreme and in dealing in the recavilies of ITC Corporation, Hamy, Paul Y. - ITC and China Strategic as the Offer is subject to a condition. It may or may not become unconditional. China Strategic Shareholders and China Strategic Warrantholders are advised not to take any action in connection with the Offer until thay have received advice from the Independent Board Comprehee.

At the request of the directors of ITC Corporation, Hanny, Paul Y. - ITC and China Strategic, trading in securities of these companies on the directors of this joint unnouncement. Application has been made to the Stock Exchange for the resumption of trading in auch securities with effect from 9:30 a.m. on 9 July 2003.

1. INTRODUCTION

On 8 July 2003, the respective boards of directors of Hunny and Paul Y - {TC announce that the Offerors, through Kingsway SW Scoulites, will make a voluntary conditional cath offer at the price of HK\$0.10 for each China Strategic Warrant expectively, other than the China Strategic Shares and the China Strategic Wortant specifically other than the China Strategic Shares and the China Strategic Wortants presently owned by the Offerors and parties acting In cancer with the Offerors, and to cancel all outstanding China Strategic Options at HK\$0.001 per China Strategic Option.

The Offerors have also informed China Strategic that Kingaway SW Securities, on behalf of the Offerors, will stand in the unsiset to acquire other China Strategic Shares necessary to increase the aggregate shareholdings of the Offerors in China Strategic to over 50% of its issued share capital, provided such acquisitions are made at prices of no note than WK\$0.10 per China Strategic Share.

The China Strategic Shares and the China Strategic Watrants to be acquired by Kingaway SW Socurities, on behalf of the Offerors, during the Offer will be distributed to the Offerors in equal proportion.

The Offer will be made in compliance with the Takeovers Code, which is administered by the Executive. Kingswuy SW Securities, on behalf of the Offerors, will make the Offer to acquire all the issued China Strategic Shares and the outstanding China Strategic Warrants, other than the China Strategic Shares and the

China Strategic Wortsuits presently owned by the Offerors and parties acting in convert with the Offerors, and to cancel all outstanding China Strategic Options on the following hasis:

MK\$0.10 in corb for each China Strategic Share for each China Strategic Warrant for cancellation of each China Strategic Option

and on the terms set out in the Composite Offer Documons. The China Strategic Shares to be acquired under the Share Offer will be acquired with the sight to all future dividends and distributions.

The China Stratogic Shares and the China Strategic Warrants to be acquired under the Offer will be acquired free from all encurabrances and any other third party rights.

Pursuant to the Offer, seller's ad valorem stamp daty in connection with the acceptance of the Share Offer and/or Warant Offer amounting to JRK1.00 for every HKS1.000 or part thereof of the convideration which the accepting Union Strategic Shareholder and/or China Strategic Warrantholdera will became liable to pay and will be deducted from the consideration payable on acceptance of the Share Offer and/or Warrant Offer and will be paid by the Offerons.

the consideration per China Strategic Share payable under the Share Offer represents:

the Standard Wednesday, July 9, 2003

a premium of appraximatoly 11.11% to the closing price of HK\$0.09 per China Strategic Share as quoted on the Stock Exchange on 27 June 2003, being the fast trading day on which China Strategic Shares were traded on the Stock Exchange prior to its auspondion of trading;

a premium of approximately 12.36% to the average clasing price of 14K\$0.089 per China Strategic Share as groted an the Stock Exclange for the ten consecutive trading days up to and including 27 June 260%

a premium of approximately 16.28% to the average closing price of HK\$0.086 per China Strategic Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including 27 June 2003;

a premium of approximately 11.11% to the average closing price of HK\$0.09 per China Strategic Share as quoted on the Stock Exchange for the eix month period up to and including 27 June 2403. The consideration per China Strategic Share payable under the Share Offer represents a discount of 95.19% on the net users value per China Strategic Share of IKR\$2.08 hased on the sudited accounts of China Strategic as at 13 December 2002. As the severage daily trading volume for China Strategic Shares was very thin during the six months ended 27 hine 2003, if any China Strategic Shareholders want to dispose their investments in China Strategic in the open market, it is very likely to significantly depress the China Strategic Share price.

During the six-month period preceding the date of this announcement, the highest and lowest closing prices of the China Strategic Share traded on the Stock Exchange were HK\$0.1 and HK\$0.08 per China Stategic of the Chlas Suste Share respectively.

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The China Strategic Warrants are currently out-of-the-money and will expire after 31 December 2003. Accordingly, an offer at HK80.001 is being made for each China Strategic Warrant. The price of HK80.001 per China Strategic Warrant represents:

a discount of 900.00% to the closing price of 14K\$6.01 per Clina Strategic Warrant as quated on the Stock Exchange on 27 lune 2003, being the last tending day on which China Strategic Warrants were traded on the Stock Exchange prior to its suspension of trading:

a discount of 90.60% to the average clusing price of 18K\$0.01 per China Strategic Warrant as quoted on the Stock Exchange for the 1en consecutive trading days up to and including 27 June 2003.

China Strategic has issued to Ms. Chan I-ing, Eva, an executive director of China Strategic, options to subscribe for up to 75,000 China Strategic Shares under its stare option ethems at a subscription price of IKS. 145 per China Strategic Share. The China Strategic Options are currently out-of-dis-nonny, Further, the price of each China Strategic Share is substantially lower than the exercise price of the China Strategic Options are non-ariginable and non-transferable. Taking into consideration the above factors, Kinguway SW Securities are making an offer, on behalf of the Offerors, to the China Strategic Options to the to surrender the China Strategic Options for each Shina Strategic Option outstanding pransum to the Takeovers Code. As at the date of this annunrecement, the holder of 75,000 China Strategic Options unstanding pransum to the Takeovers Code. As at the date of this annunrecement, the holder of 75,000 China Strategic Options to sundertaken to the Offerors that the will not exercise has China Strategic Options to which the Offers remain open.

Assuming full acceptance of the Offer, the cash consideration payable by the Offerors at the offer price of MTA9. Inc. Thina Strategic Share, IRKB 0.05 per China Strategic Pharma. The Strategic Martin and NK40.00 per China Strategic Dotton with amount to approximately IRK38.00 m Which approximately IRK38.00 m IRK31.00 m which approximately IRK38.00 m IRK31.00 m IRK37.00 m and China Stratugic Options respectively.

Kingsway Capital has been appointed by the Offerous to advise them in connection with the Offer and Kingsway Capital is satisfied that sufficient linancial resources are available to the Offerors, from a foun facility of HK860 million granted to the Offerors by Kingsway SW Securities, to enable the Offerors to satisfy Management of the Offeror Pursuant to the loan and mortgage agreements between the Offerors and Kingswuy SW Securities, the Offerors agreed to pledge their 241,320,000 China Strategic Shares beneficially owned by the Offerors to Kingsway SW Securities to tecture the loan facility granted to the Offerors by Kingsway SW Securities.

1. Inyormation on itc corposation, hanny, paul y. . Itc and china strategic

As at the date of this announcement, the Offcrors and parties acting in concert with them are interested in 242,010,000 China Strategic Shares, representing an aggregate interest of approximately 29,18% of the existing issued share cupital of China Strategic.

Save for its interest to China Strategic through Hanny and Paul Y. - ITC, ITC Corporation does not hold any direct and/or indirect Interest in China Strategic.

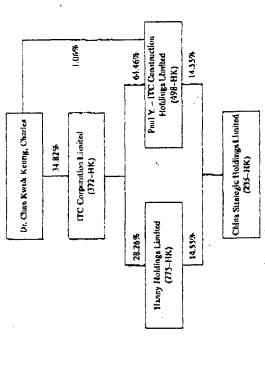
As at the date of this nanouncement, the Offerers and their concert parities hold approximately 29.18% of the issued share capital of China Stategie. Assuming the Offer closes in full acceptance and before the Offerers and before the Offerers and before the Offerers and before the Offerers share share in the public hand, the Offerers and their concert parties will hold 100% of the fasted share capital of China Strategie.

The financial information of China Strategic entracted from the audited consolidated financial statements of China Strategic for the two financial years ended 31 December 2002 is us follows:

	000.\$XH	HK\$.000
Loss liefore toxation Thxation	(695,566)	(1,001,147)
Loss before uninosity interests Wilnority interests	(713,607)	(1,007,129)
Net loss from ordinery activities attilusable to China Strategie Sharehalders	(477,107)	(398,730)
Net tangihite anxets	1,728,935	2,167,946

The following charts summarise the shurcholding structure of China Strategic immediately before the Offer and after full acceptance of the Offor:

Before the Offer



1490 2782

As at the date of this avacancement, China Strategic also has outstanding China Strategic Martants conferring right to subscribe for 165,893,682 China Strategic Shares at the subscription price of HK\$0.16 per China Strategic Share, Rach of the Offerors toldes 24,132,000 China Strategic Martants, collectively representing approximately 29.16% of the outstanding China Strategic Warrunts.

subsidiaries of Paul V. - ITC and Hanny respectively, the Offer may constitute a possible discloscable transaction for flammy and Paul V. - ITC, the Offer may also constitute a pussible discloseable transaction for ITC Corporation. Circular contuining, among other things, details of the Offer will be despeached to the therebolder of ITC Corporation, than y and Paul V. As the Offerers, namely, Calisan Developments Limited and Well Orient Limited. ITC se soon as pencilcable.

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Information about ITC Corporation

17C Corporation is an investment bolding company which directly and indirectly holds strategic investments in a annuber of listed compunies including, in addition to Paul X. - ITC and China Strategic, Interests in Hanny, Buscon Nutrabelence Corporation, Star East Holdings Limited, Mohamet Corporation Limited, Downer EDI Limited, Anada Wing On Travel (Holdings) Limited, Rosedate Hotel Group Limited, China Esteprizes Limited and MRH Holdings Limited and on through Paul Y. - ITC, the printipal activities of ITC Corporation group comprise the investment and property holdings, provision of finances, and trading of building materials and machinery.

Information about Paul V. . ITC

Calisan Developments Limited is a limited hability company which was incorporated in the British Virgin Ideads on 2 May 1991 and it is an investment holding company which, at the date of this announcement, directly holds 120,660,000 China Stategic Shares, representing 14.53% of issued share capital of China Strategic, and 24,132,000 China. Strategic Warronius, representing 14.53% of the tutal ourstonding China Strategic Shares will be be shared on the subsection price of HK50.16 per China Strategic Share, 24,132,000 new China Strategic Shares will be issued upon fall conversion of China Strategic Shares and about Development Limited, representing 2.29% of the existing total issued China Strategic Shares an enlarged by the Issued China Strategic Shares. Callian Developments Limited is an indirect whally owned subsidiary of Paul Y. - ITC.

The Paul Y. ITC group's principal dusiness includes juiliding construction, civil engineering, specialist works, property development and investment, and consultacturing and trading of construction insterials. Its pulmary buriners (secus is in Hong Kong and the PRC. Paul Y. ITC is beneficially owned as to approximately 64.46% by ITC Corporation.

Information about Hanny

Well Orient Lhnited is a limited liability company which was incopurated in thong Kong on 21 August 2000 and it is an investment holding company which, at the dute of this sanouncoment, directly holds 120,664 (MW Stategies Shares, epresenting 14.55% of issued share coplind of Chinas Strategies, and 24,132,000 China Strategies Warrants, representing 14.55% of the total outstanding China Strategies Warrants, and the sanotened of IK30.16 per China Strategie Shares, 24,132,000 new China Strategie Shares will be taked oping this of China Strategies Shares and but 128% of the total issued China Strategie Shares and the chinas strategies Shares and the relating to the total issued China Strategies Shares are enlarged by the lature of such new China Strategies Shares in enlarged by the lature of such new China Strategies Shares in Strategies Shares in the such shally-powered

The Hauny group's principal business includes trading of computer related products and consumer electronic products. Hanny also trades securities and lavests in information technology businesses. Hanny is beneficially owned as to approximately 28.26% by ITC Corporation.

Information about China Strateg

China Strategic is an investment holding company and the subnidinies of which are principally enguged in the business of tire manufacturing, manufacturing, retalling and distribution of Chinese medicine, western pharmaceuticals and health food and threstment in infrastructure projects.

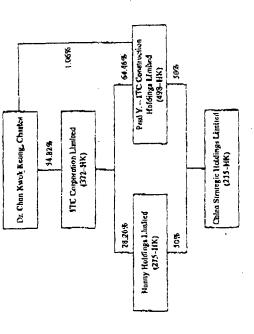
As at the date of this announcement, Dr. Chan Kwok Keung, Charler indirectly holds approximately 34.82% of the issued ardinary state capital of WC Corporation and he also directly holds approximately 1.06% of the tioned share capital of Paul V. - ITC. In-addition, 650.000 China Strategic Shares, representing approximately tioned. As the issued share capital of China Strategic, and 4000 China Strategic Shares, representing approximately understands the issued share capital of China Strategic, ore leid respectively by Mt. Ma Wal Man, Culherline, an independent non-axecutive director of Manny and a connected person of a director of Hanny's

By vitue of his being the controlling starcholder of ITC Corporation, Br. Chan Kwak Keung, Chasles Is deemed to be interested in 120,660,060 Chins Strategic Shares and 24,132,660 Chins Strategic Varrants lield by Paul Y. - ITC group.

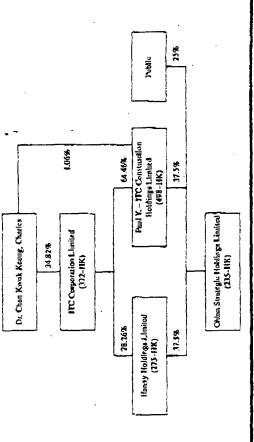
Save as disclored above, Dr. Chan Kwok Keung, Charles and other directors of ITC Corporation, Hanny and Paul Y. ITC and their respective concert parties do not hold any China Strategic Stlures, China Strategic Warrants and/or China Strategic Options.

- An at the case of 13th announcement, 64.45% and 1.064 of Isbued ahare expited of Pout V. WC are triducestly held by UCC. Corporatelycyly, 600 to have a close to PUT. This expression the Corporately held by Dr. Chin K. Arok Keang, Charlet screpcistively, 600 there are 2011. It is no transmitted 0.00004% of Island shale expited to Put V. FUC, are held by Mt. Cheung Manifell, a directly of FUC corporation, Hininy and Paul Y. ITC, and 6,445 distance of Paul Y. ITC, representing 0.00004% of Island abuse expited of Paul Y. ITC, are held by Mt. Cheung Man Wab, Connet, a discrete of Paul Y. ITC, surve for the chemahing M+46% of Island silver expited of Paul Y. ITC, are capital of Paul Y. ITC are All the connet.
- As at the date of this announcement, 14.55% and 14.55% of taxined where cupital of China Strategie are indirectly held by Hampy and Paul X. ITC respecialestly. In addition, 650-600 China Strategie Shures, representing approximately 0.09% of historian explication of China Strategies, are abid by concert purities of Handy. The reminding 70.85% of haural Abore explications of China Strategie are held by profile investions, in which 7.98% of the knued whate applied of China Strategie are their by Mr. Oui Mong Leong, ex-chairmun and ex-director of China Strategie.

After the full acceptance of the Offer but before the Offerars place down their faterests in China Strategie:



After the full acceptance of the Offer and the Offerure place down their interests in China Stratogic:



THE CONDITIONS OF THE OFFEN

The Offer is conditional upon the Offerors having received acceptuaces in respect of voting rights attached to China Stategic Shares which together with any voting rights acquired or agreed to be acquired before or during the Offer, will result in the Offerors and say partles abiling in concert with them in aggregate holding anose than 50% of the voting rights attaching to the China Strategic Shares.

REASONS FOR THE OFFER

As the liquidity of the China Stritegic Shares is low, the Offer gives China Strategic Shareholders and China Strategic Marrantholders an opportunity to tealize their investment in China Strategic at a price higher than this prevailing in the market on the Pre-handweavent Date without the constraints that would apply if they sought to do this through the market of a addition, the overage chily trolling volume for China Strategic Shares was very thin during the six months ended 27 June 2003. If any China Strategic Sharebolders want to dispose its investment in China Strategic at the open market, if is very likely to significantly depress the China its inventuent in Chl Strategie Share price.

To the extent that the Offerous are successful in acquiring China Strategic Shares either through murket parchanes or through acceptances to the Share Offer, the Offerors will be able to enhance their investment in China Strategic by improving their share of the net ascets of China Strategic and seduce their average luyestinent cost on China Strategic.

China Strategic is an investment holding company and the subsidiaries of which are pulationally engaged in the business of the manufacturing, nanufacturing, readmentabling and distribution of Chinace medicine, western pharmaceuticuls and health food and Investment in infrastructure projects. The Officials consider that the Official strategic and enhance their profile to the PRC. At present, since Officially and Youl Y. - I'll comb holds lust than 2008 interest to China Strategic and constant for China Strategic as an associated company in their respective financial attenture. After the successful compiletion of the Official will be able to recognize China Strategic as an associated company of Hanny and Paul Y. - ITC group which will enhance the value of the Offerors.

6. THE INTENTION OF THE OFFERORS

The Offer will not of itself teaust to any change in the board of directors, management, business or the continued employment of the employees, including directors, of China Strategic or any of its subsidiaties or any of its subsidiaties or any of its automatic continued of China Strategic.

Following the close of the Offer, the Offerers intend to continue the existing business of China Strategic and currently the Offerers have no intention to re-deploy fixed assets of China Strategic. Further, the Offerers have no intention to inject any ossets or businesses into China Strategic immediately after completion of the

The China Strategic Sharer and the China Strategic Warrants to be acquired by Kingaway SW Securities, on the chief of the Officors, ducing the Office will be distributed to the Officials in equal proportion. To ensure that not less than 25% of the China Strategic Shares and China Strategic Warrants will be held by the poblic after the Office, the Officials will place down their interests in China Strategic as noon as possible. China Strategic the Offer, the Offerors will place down their interests in China Strategic on boon as possible. China Strategic will hecome an associated company of Hanny and Poul Y. - FTC effer the Offer and the placing.

LBOM

Under Rule 2.4 of the Takeovers Code, a competent independent advice as to whether the making of the offer is in the interests of the offeror's shareholders is required. If the directors of the offeror are faced with a conflict of interest, Such advice on must also be obtained before annuaring an offer. However, in this case, Rule 2.4 of the Takeovers Code is famplicable as stated in mar 3 of the Rule 2.4 of the Takeovers Code, at the constitute of interest arises mainly due to the estitence of common directors among the brands of the Offerors

The Offerous will not exercise the power of compulsory nequisition. It is the intention of the Offerors to assistant let listing of China Strategic an the Stack Exchange after the close of the Offer. The Offerors and China Strategic have undertaten to the Stock Exchange that appropriate step following the chose of the Offer will be taken as soon as possible to ensure that not fess than 25% of the China Strategic Shares and China Strategic Shares and China Strategic Shares and China Strategic Shares and China Strategic Warrants in public buttle, the director of the Offerors prevailty intend to take appropriate steps which may include, photing down their laterest in China Strategic to Independent Third Parties within one mouth ofter closing of the Offer.

'China Strategie Warrant(s)"

warean(s) of Chins Utnegic cearying rights to subscribe for 165,893,682 Chins Utrategic Shares at the subscription price of HK30.16 per Chins Strategic Share, at any time from 29 August 2002 up to and including 31

"Composite Offer Document" "China Strategic Warrantholder(a)"

holder(s) of China Strotegic Warrant(s)

means the composite document setting out, annungst others, the details onto the terms of the Offer, financial information seguriding China Stategie, the recommendation of the Independent Bound Committee regarding the Offer and the advice of the Independent Bound committee regarding the Offer together with the forms of acceptance and transfer to be despaticled to all China Strategie Shareholders. China Strategie Warranholders and China Strategie Options helder in accordance with the Takeovers Cade

Directors, including independent non-executive directors, of China Strategic

the Executive Director of the Curpurate Finance Division of the SFC or any delegate of the Executive Director

"Pirst Shonghei"

"Executive" "Directors"

First Shanghai Capital Limited, a deemed licensed curporation to curry out type 6 (advising on corporate liannes) regulated activities under the SFO, is the independent linancial adviser to the Independent Board Committee in relation to the Offer 2.

the Hong Kang Special Administrative Region of the Penpic's Republic Hanny Noldings Limited, a limited fiability company incurporated Bennuds, the shates of which are listed on the Stook Exchango

parties not evanacted nor acting in enucest with the directors, chief executives or substantial shareholders of ITC Corporation, Hunny, Paul Y. - ITC and China Stategic or any of their subsidiaries or an associate (as defined in the Listing Rutes) of any of them an independent board committee comprising the Independent non-executive Directors to be formed to give utvice in respect of the Offer

"Independent Third Parties"

"Independent Board

"Heng Kong"

"Hunny"

Committee

17C Corporation Limited, a company incorporated in Bermudy with itsyled liability, the shares of which ore listed on the Rocket Archange Kingsway Capital Limited, a fellow subsidinty of Kingsway SW Securities and a dermed licensed corporation to enry out type 4 (advising on securities), type 6 (advining on ensposate finance) und type 9 (assec management) regulated activities wader the SFO, is the financial adviser

"Kingsway Capital"

Kingswuy SW Securities Limited, a fellow subsidiary of Kingsway Capital and a desired licensed corporation to citry out type I (desiring an securities), type 6 (advising an securities), type 6 (advising an securities), type 6 (advising an securities), type 7 (providing Antonialed Trading Services) and type 9 (asset management) regulated activities under the SPO to the Offernes in relation to the Offer

"Kingswoy SW Scuridies"

"Listing Rules"

the voluntary conditional cash offer to be made by Kingsawny SW Securities, on behalf of the Offeners, to sequine all the issued China Strategies Shores and outstanding China Strategie Watenats, when then the China Strategie Shores and Oction Strategie Wavants when the the Offerors and parties aculing in concert with them, and to esmeel all the Rules Opverning the Listing of Securities on the Stock Exchange putatanding China Strategic Options

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OT

The Stock Exchange has stated that 11 will closely monitor the trading in the China Strategic Shares and Citina Strategic Warrants on the Stock Exchange. If the Stock Exchange believes that:

- 5 a false market exists or may exist in the China Strategic Shares and China Strategic Warrants;
- there are too few China Strategic Shares and China Strategic Warrants in public hands to maintain an orderly masket, it will consider exercising its discretion to suspend trading in China Strategic Shares and China Strategic Warrants.

In this connection, it should be noted that upon completion of the Offer, there may be an inabificient public flout for the China Strategic Shares and China Strategic Warrants and, therefore, trading to the China Strategic Shares and China Strategic Warrants may be auspended until a sufficient level of public Nost is attained.

If China Strategic remains a listed company, the Stock Exchange will closely monitor all future acquisitions or disponals of assets by China Strategic. Any acquisitions or disponals of assets by China Strategic and its subsidiaries will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has discretion to require China Strategic to Issue a circular and an announcement to China Strategic Shareholders irrespective of the size of the proposed acquisitions and disponals of assets by China Strategic expressed by Pressed acquisitions and disponals of Stucke Exchange has the pursuant to the Listing Rules of agressed acquisitions and disposals of assets by China Strategic and eny such acquisitions and disposals of assets any result in China Strategic and eny such acquisitions and disposals of assets may result in China Strategic and eny such acquisitions and disposals of assets may result in China Strategic act one we listing applicant and ambject to the requirements for new listing applicant and ambject to the requirements for new listing application.

"Share Offer"

"3FO"

GENERAL

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A Composite Offer Document setting out, amongst others, the details and the terms of the Offer, financial information regarding. Ching Strategic, the recommendation of the Independent Board Committee regarding the Offer, together with the forms of acceptance and transfer of the independent financial adviser regarding the Offer, together with the forms of acceptance and transfer will be despricted to all Chins Strategic Shareholders. Clinia Strategic Warrantholders and China Strategic Options holder to accordance with the Takenvers Code.

announcement for such later dute as may be ngreed by the fixeculive). Purities announcement will be made by the Orfesors and China Strategie os and whon appropriate, in accordance with the Takenvers. Code and the of this auticipated that a Composite Offer Document will be despatched within 21 days from the date Listing Rules. 5

adviser to advise the board as to whether the offer is, or is nut, falt and reusonable and to establish an independent committee of the board to discharge the board's responsibilities in relution to the offer. An independent Board Committee will be established to due course and will make recommendations to the Chinn Strategic Shareholders, Chinn Strategic Warmtholders and of Chinn Strategic Options sholder, whether or not to accept the Offer and First Shanghai has been applicationed as the independent flasmeish adviser to indicate the landependent Round Committee as to whether the Offer is, or is not, fuir and reasonable. Under Rule 2.1 at the Takeovern Codo, a board which receives an offer should reigh an Independent financial

Neither the Offscors not may of the parties acting in concert with thom dealt in the China Strategic Shares or China Strutegic in the six nothing preceding the date of this

Investors are noticed to exercise extreme caution in dealing in the accurities of ITC Corporation, Haany, Paul V. - ITC and China Straigle as He Offer is subject to a condition. It may or may not become unconditional, Chinn Straigle Sharehulders are advised and straigle Warrautholders are advised and to take any school in connection with the Offer until they have received advice from the Independent Board take any school in connection with the Offer until they have received advice from the Independent Board Canımiftee.

8. SUSPENSION OF TRADING

At the request of the directors of ITC Corporation, Hunny, Paul V. - ITC and Chins Strutegic, trading in the betwrittes of these companies on the Stock Exchange was suspended with effect from 9:30 s.m. on 30 June 2003 pending the extense of this join announcement. Application has been made to the Stock Exchange for a resimplified of trading in such securities with effect from 9:30 s.m. on 9 July 2003.

'China Strategic Option(s)

"Chinn Strategie Shate(s)" "China Strategic Shurehytder(3)"

China Strutegic Rutdings Limited, a limited liability company incarparated in Bong Kong, the securities of which are linted on the Stock

ahnre optivn(s) granted by Citina Strategic under the shinte option rethenic ailopted on 20 July 1992.

share(s) of HK\$0.10 each in the stare capital of China Strategic holder(s) of China Strategic Shure(s)

purites acting

Well Orient Limited, which of Paul Y. - ITC and Ho

Calisan Developments Limited and indirect wholly-owned subsidiaries

has the same meaning accribed to that term in the Takeovers Code respectively "Frankroa 2. "Paul Y. - ITC"

Paul Y. - ITC Construction Holdings Lituited, a limited Ilability company incorporated in Bermuds, the secuclites of which are listed on the Stock Exchange

27 Iune 2003 (delng the last day of trailing of the China Strutegie on the Stock Archange immediately bosore the duta of

"Pre-Anniminetinent Date"

"YRC"

Securities and Futures Commission

of the Laws of Heng Futures Ordinance (Chapter 57.1 Securitles and

Securitles, on behalf of the Offerors, to acquire all the issued Chlan Streegic Shares shipe than those owned by the Offerors and sprittes celling in concert with them at MK30.1 per China Strategic Share our the tetras and subject in the conditions set out in the Composite Offer Document offer to be COSP conditional the voluntery

the Hong Kong Code on Tukeovers and Mergers

"Tukeovers Code" "Stock Exchange."

"Wurrent Offer"

Document

Hong Kong dollars

By order of the board CORPORATION LIMITED Chau Mel Wah, Rosenne

By order of the board CHINA STRATEGIC HOLDINGS LIMITED Dr. Chan Kwok Keung, Charles

By order of the board HANNY HOLDINGS LIMITED Lui Siu Truea, Richard

By order of the bond

By ONSTRUCTION HOLDINGS LIMITED

CBD Mel Wah, Rosense

Executive Director

Hang Kong, 8 July 2003

Directur

Deputy Managlag

The altresion of IVC Corporation bobily and severally accept full transmithtlip for the winness of the information contributed in this animal contributed in this animal contributed in the subject that their factories and conflict the standards equals of the standards and their factories and conflict that the feet of their behaviolage and belief published represent the times that the next that the feet of their feet and their throughout the subject to the subject to the subject that the subject the subject that the subject to the subject to the subject that the subject to the subject to the subject that the subject to the subject that the subject to the subje wIrlendlig.

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The directors of Post V. - IYC points and reverably acress full responsibility for the accouncy of the Information complised in this announcement when the Information Composition of the account of the the Information of the Copposition of the Composition of the Information of Information Informati

The directors of Chlon Stratzki folesty and xeverally occept full requirability for the accepting of the information restrained to this association color and earlies than the full stratum of the folest of the fol

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announcement)

Konk)

The Stock Exchange of Hong Kong Limited

the voluntary conditional cash offer to be made by Kingsway SW Securities, on behalf of the Offerers, to acquire all the outstanding China Stantegie Warrants other than those owend by the Offerors or parties acting in cancert with them at 14%,000 per China Strategie Warrant and the terms and subject to the canditions set out in the Campostte Offer

"HK \$"

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要港聯合交易所有限公司對本公佈之內容疑不負責,對其庫確性威克獎性亦不發表任何祭明,並明建及示報不敢因本公佈全部或任何部分內容而產生或密傳賴故事內容



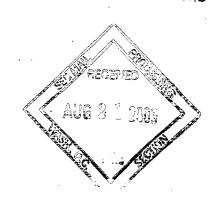
ITC CORPORATION LIMITED (德祥企業集團有限公司)

(於百思连经两成立之有在公司)



HANNY HOLDINGS LIMITED (錦 興 集 團 有 限 公 司)

(於百慧连柱無成立之有限公司)



德 祥 企 業 集 團 有 限 公 司 、 錦 興 集 保華德祥建築集團有限 之可能須予披露交易

滙 富 証 券 有 限 公 司 代 表 4 (分別為錦興集團有限公 保華德祥建業集團有限公司之間接 提出自願有條件現金收購 收購全部已發行中策股 尚未行使之中策認股界 (收購人及與其一致行動人士 中策股份及中策認股權證 以及註銷所有尚未行使之中

> 錦 興 集 團 有 限 公 司 3 保華德祥建築集團有限公司之



滙富融資有限公司

自與有條件現金收購達費

於二字字三年七月八日,錦與及保華德祥各自之董事會宣佈,收購人還過應當証券將提出自沒有條件現金收購建設,作便分別為每股中策股份0.10港元及每份中東認及 主然能有以中华德學中學歷歷 **建銷所有尚未行使之中策請股權。**

褪富证券(代表收購入)於收購建議期間內收購之中策股份及中策認股權證,將以相等比例分派予收購人。

收鐘盛薑之條敷

收辦建議之詳情數列如下:

..... 現金0.001港元

假設全面接纳收購建議。收購入應支付之現金代價將約為58,900,000能元。

收甥人亦已知會中策:護官証券將代表收購人於需要時在市場上收購其他中策撤份,以提升收購人於中衛之總股權至超過中策已發行股本之50%,惟該等收購之作價下

2003年7月9日 星期三



世子内意而引及之任何摄史承擔任何責任。



CHINA STRATEGIC HOLDINGS LIMITED

中策集團有限公司

(於各路主册成立之有限公司)



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED (保華德祥建築集團有限公司)

(於百萬進註冊成立之有限公司)

與集團有限公司及

有限公司

三 交 易

己表收購人

] 限公司及

· 問接全資附屬公司)

收購建議,

策股份及

認股權證

人士現時擁有之

權證除外),

之中策勝股權

公司及

公司之財務顧問

公司

4

假設全面接納收螺建設,收購入應支付之現金代價將約為58,900,000港元。

收購入亦已知會中策,產富証券將代表收購入於需要時在市場上收購其他中策股份,以提升收購入於中簽之總股權完超過中貸已發行股本之50%,惟該等收購之作價才可能獨予披露之交惠

收簿建議可能構成錦典及保事德祥之可能须予披露交易。由於德祥企奠擁有保容德祥之64.469.權益,故收釋漢邊亦可能構成德祥企業之可能須予披露交易。一份故有 收**度建議之條件**

业康建藏须待收购人已接领中策股份附邻之投票程:返問於收购建筑前或朔閒已收购或同意炼于收牌之任何投票据之转勤,将等致收购人及购其一致行勤人士合共特: 一般事項

融資配養已變收購入委任就收購建議给于意見,而應審敵資信納收購入可從經審証券批予收購人之貨款敵黃額60,000,000港元,變得充裕財務資源,便收購入可支付5 根據收購守則,一份綜合收購建議文件須由本公佈日期運計21日內等發予中策股東、中策認股權競持有人及中策購股權持有人。

第一上海已獲委任為獨立財務顧問,就收購建議是否公平合理向獨立董事委員會提供意見。

娶於收赐建霸須視乎一項條件而定,且不一定成為無條件,故我資者於質責德祥企業、錦興、保幕復祥及中策之證券時,務須審慎。確請中世股東及中策謀敗權堅持 應德祥企我、錦興、保華德祥及中策之監事要求,該每公司之證券由工等等三年六月三十日上午九時三十分起在聯交所暫停買賣,以得刊發本聯合公佈。上述公司已

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於二字字三年七月八日,錦興及保密德祥各自之董事會官師,收賜人透過艦窩証券將提出自顧有條件現金收購建鐵,作價分別為每股中策配份0.10港元及每份中聚認股權證0.001港元,不包括收購人及與收錦人一致行動人士現時讀者之中策取份及中策認股權歷,以及接每份中策觀股權0.001港元赴銷所有尚未行使之中實驗股權。

收購人亦已知會中策,護官延券將代表收購人於需要時在市場上收購其他中策股份,以提升收購人於中策之穩股積至超過中策已發行股本之50%,惟該每收購之作價不得超過每股中策股份0.10根元。

·西雷亚芬(代表收購人)於收購建議期間內收購之中策股份及中策認股權證,將以相等比例分派子收購人。

2. 收額塗装ラ候款

收應建議將須遲從收購守則強行,而收購守則乃由執行理事監督,應當証券(代表收購人)將提出收購建議,收赚所有已發行中策股份及尚未行使中策起級複號。不包括收購人及與收購人一致行動人士現時擁有之中策股份及中策認股權施,以及註額所有尚求行使中策關股權,基準如下:

及按照载於綜合收願建徽文件內之條款。根據股份收際建藏將予收購之中策股份,將總同所有未來放息及分派之權利一併收購。

根據收轉應讓將予收購之中策股份及中策認股福經於收購時·將不附帶所有底種負擔及任何第三者權利。

根學收課建議,就接纳股份收頭建職及/或認股權證收購建讓之從價印花稅,為代價每1,000港元或不足1,000港元支付1,00港元,而接納建讓之中氣 股東及/或中策認股權證持有人將須承擔有關資用,該筆款項將從受納股份收應應過及/或認股權證收需建證應付之代價中扣除,並將由收應人支 何。

根掉股份收购建議就每股中策股份應付之代價較:

- 一 每股中策股份於二等零三年六月二十七日(即中策股份於暫停買賣前在聯交所最後一個交易日)在聯交所所報之收市價0.09港元益價約11.11%;
- " 每股中策股份於徽至二零零三年六月二十七日(包括該日)此十個連續交易日在聯交所所報之平均收申價0.089港元徵價約12.36%;
- 每股中策股份於鐵至二零零三年水月二十七日(包括該日)止三十價連續交易日在聯交所所報之平均收市價0,086捲完繼價約16.28%;及
- 每股中策股份於截至二零零三年六月二十七日(包括終日)止六個月在聯交所所報之平均收市價0,09港元溢價約11,11%。

磁体股份收购建議應付之每般中策股份之代值,較根據中質於二季零二年十二月三十一日之經審核期目計算之每股中質股份之資產將值2.08施元折讓 95.19%。要於截至二零字三年六月二十七日止六個月中策股份之平均每日成交量非常稀疏,倘任何中策股東於在公開市場出售其於中策之投資,短 標很可能令中策股份之價格大受壓力而下關。

於本公鄉已期前六個月期間。中策股份在聯交所買賣之最高及最低收消價分別為每股中策股份0.1後元及0.08提元。

中策認股權歷現時為價外,及將於二字字三年十二月三十一日後屆落、因此、以0,001港元揚出收購每份中策認股權證·每份中策認股權證之作價0,001港元數:

- 一 每份中策認股權證於三零零三年六月二十七日(即中策認股權務於暫停買賣前在哪交所最後一個交易日)在聯交所所報之收市價0.01港元折讓 90.00%;
- 一 等份中策認股權避於截至二零零三年六月二十七日(包括該日)止十個連續交易日在聯交所所報之平均收市價0.01總元折運90.00%。

中策已向中策執行董事陳玲女士發行謀股權。根據戰股權計劃可以認購價每股中策股份3,145拖先認薦星多連75,000股中策股份。中策關股權現時為價外、此外,每股中策股份之價格大幅低於中策腐股權之行使價,及該等中策腐股權為不可出讓及不可壽讓。經計及上述因繁徒,根據收蔣守則,讓富証券代表收應人向該名中策膺股權持有人提出收開建議,建議其交出中策應股權,若此以0,001後元註第每份尚未行使之中策轉股權。於本公佈日期;75,000份中策應股權之持有人已向收應人承諾,其將於收據來讓公歷使發來期間不會行使中策觸股權。

假設全面接納收購建議,收購入應文付之現金代價,將约為58,900,000港元,以收購價每股中氣股份0.1港元,每份中泵認股權藏0.001港元及每份中 策房股權0.001港元計,其中分別約58,800,000港元,117,630港元及75港元將分別用作收購中氣股份、中策認股權超及中策關股權。

海高融資已穩收購入委任敦收購達讓給予意見,及衛富融資信納收購入可從極富証券批学收購人之資款融資額60,000,000總元,獲得完裕財務資源, 令收購人可支付全面接納收購建課。根據收購人與德富証券前立之贷款及技物協議、收購人同意抵押收購人實益採有之241,320,000股中策股份予經 富証券、作為適富証券投予收購人之實款融資之保證。

3. 有關德祥企業、錦輿、保華擇祥及中策之資料

於本公佈日期,收購入及與彼等一致行動人士合共擁有242,010,000股中策股份、佔中策現有已發行股本約29.18%之權益總額。

於本公佈日期,中策亦有尚未行使中質認股權證、附帶可認願165,893,682般中質股份之權利、超購價為每股中策股份0.16第元。各收購入分別持有24,132,000份中類認股權證,合共佔尚未行使中類認股權證約29,10%。

由於收期人,即Calisan Developments Limited及成倫有限公司分別為保蓄德祥及缩與之間接全資附屬公司,故收轉建讓可能構成錦典及保華德祥之可能須予披露交易,由於德祥企業擁有保事德祥之64.46%稱益,故收期建讓亦可能構成德祥企業之可能須予披露交易。或有(其中包括)收購建議許續之通函,將盡快寄發予德祥企業、錦興及保華德祥之股東。

有關选择企業之資料

德祥企業為一級投資这股公司,並且接及同樣在多家上市公司符有策略性投資,除保確德裕及中策外,亦於錦興、Burcon NutraScience Corporation,東方龍力集開有限公司,說動廣告有限公司,Downer EDI Limited,反應永安底遊(接股)有限公司、珀麗潤店集團有限公司,China Enterprises Limited及MRI Holdings Limited中擁有權益。除透過保華德祥經濟之該等業務外,德祥企業集團之主要業務包括投資及物業持有、提供融資、以及 實實建築材料和機器。

有關保華德粹之資料

Calisan Developments Limited為於一九九一年五月二日在英屬處女群島註冊成立之有限公司,及為一家投資控股公司,於本公佈日期直接持有 120,660,000股中策股份(佔中策已發行股本之14,55%)及24,132,000份中策認股框签(佔全部尚未行使中策認股框礎之14,55%)。每股中策股份認應值 為0.16進元,於Calisan Developments Limited全面轉換中策認股框證時、將須發行24,132,000股新中策股份,相當於現有已發行中策股份總數之 2.91%,及相當於經發行該等新中策股份擴大後之已發行中策股份總數約2,83%。Calisan Developments Limited為保護總祥之間接全資附屬公司。

保密德祥集團之主要業務包括建築,土木工程,專項工程,物業發展及投資,以及製造及實實建築材料,其業務主要集中於香港和中國,德祥企業 實益獲得保事德祥的64.46%權益。 有關銷奧之資料

威倫有限公司為 中策已發行股本 司全面轉换中策 之已發行中策股

錦與集團之主要

有關中策之資料 中策為一家投資

於本公佈日期。 夢馬蒙敏女士及 股本約0,005%)

歷於陳國登博士 除上文所披露者

中策錄股櫃。 除透過館興及係 於本公佈日期。

税前虧損 税項

未計少數股東領 少數股東權益

中策股東應佔「

有形資產浮值

下复极列聚接4 收载建设筑

新拉:

. 於本公佈 股份(佔分 股本錄下

2. 公本公佈 中策巴發

全面接纳收簿

», 惟該等收勝之作僧不得超過每般中聚股份0.10港元。

"班路交易,一份教有(其中包括)收赐建造详惯之通函,將查快务础于德祥企及、錦奠及保载德祥之股京。

计一致行動人士合英持有附帶投票權之中策股份超過50%後,方可作實。

源,使收購人可支付全面接纳收購建議。

i 東及中眾深設權設接有人於接**沒**適立董事受異會之意見前,不應採政有關收購達嚴之任何行動。

·合公佈·上述公司已向聯交所申請由三零零三年七月九日上午九時三十分起,恢復該等證券在聯交所買賣。

有關想風之姿勢

成倫有限公司為於二零零零年八月二十一日在香港注册成立之有限公司,及為一家投資控股公司、於本公佈日期直接持有120.660,000股中策股份(心中策已娶行股本之14.55%)及24.132.000份中策認股權證(佔全部尚未行使中黨認股權證之14.55%)。每股中策股份認識價為0.16港元,於成倫有限公司全面轉換中黨認股權證所,將須發行24.132.000股新中策股份,相當於現有已發行中策股份轉數之2.91%,及相當於短發行該等新中軍股份讓失後之已發行中策股份總數約2.83%。政倫有限公司為錦輿之間接会資附屬公司。

窃舆集围之主要发展包括真實電膜相關產品及消费電子產品。亦從事質實證券及投資資訊科技變務。德祥企業實益擁有館與約28.26%權益。

有關中效之資料

中策為一家投資控股公司,其附屬公司主要從事職胎製造、製造、零售及分銷中西處及保健食品,以及投資基建項目還務。

於本公佈日期,陳國強博士間接持有德拜企奠已發行普通股股本約34.82%,被並直接持有保事簡祥已發行股本約1,06%。此外,錦輿之獨立非執行董事爲戀敏女士及錫與之附屬公司之一名董事之關連人士分別持有650,000股中策股份(佔中策已發行股本約0,08%)及40,000股中策股份(佔中策已發行股本約0,005%)。

整於陳國莊博士為德祥企業之控股股東,彼该視為於由保護德祥集團持有之120,660,000股中策股份及24,132,000份中質認股權證中擁有權益。

除上文所披露者外,陈丽弦博士及德祥企类,确奥及保奉德祥之其他董事及彼等各自之一数行動人士並無持省任何中策股份,中策跨股權證及/或中環匯股權。

除透過錦興及保寒德祥於中策持有之權益外,德祥企樂並無於中策持有任何直接及/戏間接權益。

於本公布日期,收購人及與其一致行動人士持有中策已發行股本約29.18%。假設收辦建議完成時覆全面接納及於收購人藏特於中策之傳益以維持公 思持有中策股份不少於25%前,收購人及與其一致行動人士將持有中策已發行股本100%。

二字字二年

二二二二

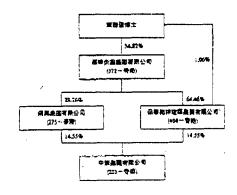
E-17.7

以下為補錄自中策觀至二零零二年十二月三十一日止兩個財政年度之經審核綜合財務報表之中策財務資料:

,	千寒无	千港元
税前虧損 役項	(695,366) (18,041)	(1,00),147) (5,982)
未計少數股東檔益之虧損 ◆ 少數股東檔益	(713,607) 236,500	(1.007.129) 408,399
中策股東應佔目常難務虧損淨額	(477,107)	(598,730)
有形質產淨值	1.728,935	2,167:946

下國權列緊接收房建設前及全面接納收購跑競後,中策之股權架構圖:

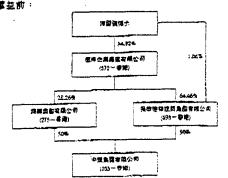
收騰建議前



两位:

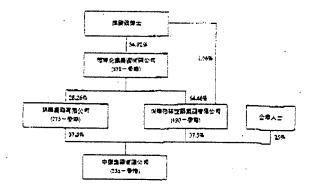
- 1. 於本公師日展:國本企業及陳國強博士分別同盟及直接持有保事領本之已受行股本64.46%及1.06%。德粹企業、需要及保事福本之重等張復保先生持有保事福本40股股份(佔保事德律已受行股本0.00004%)。及保護福莽董事國文事先生持省保事福本6.443股股份(佔保事福本已受行股本0.0006%)。除上文所建者外、保事福本已受行股本级下之34.48%由公果投资者持有。
- 2. 於本公佈日期,錦栗及保事德律分別同接持有中策已發行股本之14.55%。此外,錦典之一監行動人士持有690,000股中廣股份、佔中策已發行股本的0,08%。 中班已發行股本餘下之70.82%由公眾投資者持有,其中7,98%之中策已發行股本由中限之由主席兼前董事黃鴻年先生持有。

全面接纳收费建镍後但於收購人減控於中策之權益前:



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於全面接納收購建議及收購人滅特於中領之權益後;



4. 收與建築之條件

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收購或請須待收購人已接獲中策股份附帶之投票權,運同於收購建讓前或期間已收購或同意將予收購之任何投票權之接納。將導致收購人及與其一致行動人士合共均有附帶投票權之中策股份超過50%役,方可作實。

5. 遠行收購建議之原因

由於中眾股份流通彙偏低,收購達閱讓中策股東及中策認股權證持有人,有機會接高於公佈前日期之現行市價變現於中策之投資,而不受确被等尋求透過市場變現可能認用之限制所規限。此外,於截至二零零三年六月二十七日止六個月期間,中東股份之平均每日成交量非常稀疏。倘任何中策股東歐在公開市場出售其於中類之投资,道樣很可能令中策股份之價格大受壓力而下潤。

偽唿關人透過在市場購買或透過接納股份收錄建設而反功收購中策股份,收購人將可透過改善後等應佔中策資產淨值,提升被等於中策之投資,以及該低被等於中策之平均投資成本。

主要為一家投資整股公司,其附屬公司主要從事驗船製造、製造、零售及分銷中西藥及保證食品,以及投資基建項目,收購人認為收購速設可需 固其與中策之聯繫,以及提升其在中國之形象。目前,由於錦鳳及保華德祥各自持有中策少於20%權益,故德學概無於各自之財務報表中將中策 列作聯營公司。於成功完成收購建議後,收購入將可確認中策為錦與及保華德祥集團之聯營公司,因此將可提升收購入之價值。

6. 收職人之政命

收與建議本身將不會導致中策或其任何附屬公司或受中策控制之任何聯營公司之董事會、管理層、差務或持續聘用中兼僱員(包括董事)出现任何 變動。

於收購建設完成後、收購人雖繼續中策之現有業務。收購人現時無意重新測配中業之固定資產、此外,收購人亦無重於緊隨收賜建議完成後即時向中策往入任何資產或幾務。

於收勝建議期間將由極富証券代表收購人收購之中策股份及中策認股權證、將以相等比例分派予收購入。為確保於收購建礦後中策股份及中策認 股權證不少於25%將出公案人士持有,收購人將承快號持彼等於中策之權益。於收購建讓及減持後,中策將成為錦襲及保華德祥之聯營公司。

根據收勝守則第2.4條,鎖收購入之董事面對利益衝突,將須就提出收屬建設是否符合收購入股東之利益取得充份獨立意見。被等意見必須於公佈收購建設前取得,然而,在損情况下,如收購守則第2.4條附註3所載,若只主要由於收購人及被收購入之實事身兼稱方之董事而引登之利益衝突,則收購守則第2.4條並不適用。

收購人將不會行便強制收購權力。收購人現經於收關建設完成後維持中策於聯交所之上市地位。收購人及中策已向轉交所承諾,於收購建議完成 後將會盡快架取週當步骤,以確保公眾人士持有不少於25%中策股份及中策認設權證。倘收輝建讓完成時中策股份及中策認股權證少於25%由公 眾人士持有,收購人之資事現遇限取適當步驟,可能包括於收觸建製完成後一個月內,被持及將彼等於中策之權益配管予實立第三者。

等交所已表明·將會密切監察中葉股份及中葉認股權證在聯交所買賣之情況。倘聯交所相信:

- 中策股份及中策認股權證存在或可能存在虛假市場;或
- 一 公眾人士持有之中策股份及中策認股權證數是太少,不足以維持有秩序之市場,則其將行便酌情權,暫停中策股份及中策認股權證之灵寶。 就此而言,須注證備於收隨建議完成後,中策股份及中策認股權證之公眾持股量不足,中策股份及中策認股權證可能暫停實實,直至課到是夠之

只要中寬仍維持上市公司地位,聯交所將會密切監察中眾日後所有收購或出售資產。中實及其辨屬公司進行任何收願或出售資產,將須受上市規 則之條文規限。祖達上市規則,聯交所可酌情要求中類就中策之連盟收開及出售資產向中度股東刊發達函及發表公佈,不論建議收開或出售資產 之規模大小,尤其是倘中眾連盟收購及出售資產、導致中策偏覆主要業務。帶交所有權根據上市規則,將中策之一系列收集及出售資產業處應理, 這樣可能導致中策被視為一名新上市申讀人,並須受上市規則對新上市申請人之規定所限制。

7. 一般資料

公眾持股量為止。

獻有(其中包括)收賜建建之詩情及條數、有關中策之財務資料,獨立董事委員會就收賜建護給予之建議及獨立財務顧問就收賜建議提供之意見之 綜合收購建議文件,選同疾納及過戶表格,將根據收購守則等發予全體中策股東,中策認股權證持有人及中策購股權持有人。

估計綜合收購達議文件將由本公佈日期起計21日内 (或執行禮事可能同意之被後日期) 奇孽。收購人及中貿將會於癒當特優根據收應守期及上市規 則作出雄一步公佈。

根據收房中則第2.1條:接獲收房建滿之董事會須聘請獨立財務顧問,就收房建議是否公平合理向董事會提出意見,董事會亦須成立獨立董事委員 會,代為提行董事會有關收房建設之責任。中策將於這當時候成立獨立董事委員會,而獨立董事委員會將默是否接換收房建議向中策股東,中策 認股權證持有人及/或中榮蔣股德持有人提供建議,第一上海已獲委任為獨立財務顧問,就收購建讓是否公平合理向獨立董事委員會提供意見。

收購人或與收購人一致行動人士廢無於本公施日期前六個月內,買賣任何中策股份或中策認股權證或中策其他證券。

歷於收願建議演徒乎一項條件而定,且不一定成為無條件,故投資者於買賣機样企業、錦興、保養德祥及中策之證券等、**碧須警慎。這謂中**氣股 原及中策認股權證持有人於接獲獨立董事委員會之意見消,不應採取有關收與建議之行動。

整停買賣

應領祥企業、錦興、保郵領祥及中領之董事要求、該等公司之證券已由二零零五年六月三十日上午九時三十分起在聯交所暫停賈賈。以符刊發本聯合公佈、上述公司已向聯交所申請由二零零三年七月九日上午九時三十分起,恢復該等證券商聯交所買賣。

9. 福瀬

中 饭

中策集團有限公司,於香港註冊成立之有限公司,其歷券於聯交所上市

「中來轉股權」 「中東股份」 指 中斑视域一九九二年七月二十日报纳之赐殷福計劃新授出之赐殷福

中策股本中每般面值0.10港元之股份

+852 2372 0641 建维出由二本零三年六月三十日上午九時三十分超在際交所暂停實費,以待刊發本 應德祥企業、結果、保華貧 聯合公佈。上述公司已向劃。 葱玉 6 「中雅」 15 中策集團有限公司,於香港註冊成立之有限公司,其職券於聯交所上市 「中策階股權」 中饭根據一九九二年七月二十日採納之隣股權針劃所經出之隣股權 「中策股份; 中荣股本中每股配值0.10港元之股份 「中策股東」 栺 中策股份之特役人 「中衆認股權證」 12 中策之認設確證,附密權利可由工學孝二年八月二十九日爾亞二學等三年十二月三十一日止(包括該日),隨 時以認際價每股中案股份0.16港元,認購165.893.682股中策股份 〔中策認股權證持有人』 捞 中策認股權證之持有人 「総合收購應茲文件」 數有(其中包括)收關建聚之詳情及簽款、有關中策之財務資料、獨立選事委員會就收購建議給予之建議及獨 **立財務顧問款收購速藏提供之意見之綜合收購重議文件、運同簽納及過戶表格。將根據收購守則寄發于全體** 中軍股東、中策等股權證持有人及中策聯股權持有人 「電節」 中策之董事。包括獨立非執行董事 「執行理事」 *5 設監會企業融資部之執行理要或執行理事所指派之任何人士 「第一上海! 第一上海澈瞪有限公司,验券及期貨條例項下之被視為楼牌法图,可從事第6額(就機構能資認供意見)之夢 規管活動,就收購建議擔任獨立董事委員會之獨立財務顧問 「紹興」 29 **缩與集團有限公司,於百萬逾註冊成立之有限公司,其股份於聯交所上市** 「香港」 中華人民共和國香港特別行政區 「獨立董事委員會」 栴 將成立由獨立非執行董事组成之獨立董事委員會,就收轉建議提供意見 「獨立第三者」 **舆德祥企業、錦輿,保華德祥,中策或其任何附屬公司之董夢,行政人員或主要股東或彼等之任何聯繫人** (定義見上市規則) 聚無關理,以及遊非彼等之一致行動人士 「徳祥企業」 搭 德祥企業集團有限公司,於百薪達註冊成立之有限公司,其股份於關奖所上市 滙客融資有限公司,應客証券之間集團附屬公司,及證券及期貨條例項下之被視為持牌法團,可從基第4頭 [雅麗麗麗] 16 (斡蹤券提供意見)、第6類(就機構陶瓷提供意見)及第9類(提供資產管理)之受規管活動,就收購達議擔任 **佐護人之鉄路額**額 准高证券有限公司,准高融资之同集團附屬公司,及證券及期貨條例項下之被視為特定法團,可從事第1類 「液宮証券! 48 (政券交易)、第4類(就證券受供意见)、第6類(就機構融資提供意见)、第7類(提供自動化交易服務)及第9 競(提供資產管理)之受規管活動 聯交所證券上市規則 「上市規則」 15 福客证券代表收购人提出之自颐有條件現金收購建議,以收購所有已發行中策股份及尚未行使中策認股權證 【收饺涂纸】 扰 (收購人及被等之一致行動人士規時護有之中實脫份及中策認股權證除外),及註銷所有尚未行便中策購取權 Calisan Developments Limited及政倫有限公司,分別為保奉德祥及錦輿之間提全資附屬公司 「收購人」 清 「一致行動人士」 具有收購夺則所賦予之相同定義 指 保事德祥建築集團有限公司,於賈惠建註册成立之有限公司,其證券於聯交所上市 「保整選祥」 44 中國」 中華人民共和國。成本公佈而會,不包括母池及中華人民共和國澳門特別行政區 拾 二零零三年六月二十七日(即聚铵本公佈日期前,中策股份於聯交所之最後買賣日期) 「公布前日期」 捁 「食業館」 Ŧ'n 潜藏及斯曾威格勒泰委品会 「證券及期貨條例」 吞继沙例第471数器众及期货够例 根據综合收購達讓文件之條款及在其條件規限下,極當延券代表收購人提出之自職有條件現金收購建議,按 「股份收膺建職」 捻 每股中策股份0.1把元收期所有已發行中氣股份(收購人及與其一致行動人士擁有之已發行中策股份除外) 「聯交所」 按 香港聯合交易所有限公司 ÷ 香港公司收購及合併夺則 「眼帯部別」 根據综合收應露護文件之條款及在其條件規限下,派雷証券代表收購人提出之目顯有條件現金收購應議,按 拾 「您股機能收壞建議」 每份中策認股權證0,001推元收購所有尚未行使中策認股權證(收購人及與其一致行動人士擁有之尚未行使中 管液形植器除外) 维元 「港元」 括 百分比 1% 承董事會命 承董事會命 德祥企業與壓有限公司 中贸集限和限公司 董事绝股歷 主席 密建筑

> 承董夢會命 **绕奥兹图有**限公司 ,创董事政府进 显兆泉

陳函強傳士

承签事命命 保事機祥蘊第集團有限公司 教持董事 周美夢

香港,二零零三年七月八日

选择企業董事服對本公佈所載實料 (有異錄與、保華德與及中眾之資於除外) 之草庭性共同及個別承擔全部責任、且在作出一切合理查詢提、难認 故被等所深知及所付,本公佑所表逢之意见(有简绵典、张莽德祥及中荒之君见除外) 乃随客读用详之考虑极作出,而本公何亦無谁漏其他事贯。 以数本会体所发内容有所换导。

绵典董事册舒本公佈所载资料 (有前德群企業、保華德群及中策之资料除外) 之攀雍性共同及伯利采塘全部青任,且在作出一切合理量的援,难赐 就谁苦所湿如技所信·本公佑所表述之意见(有智德祥企業·张昌德祥及中襄之宫尼除外) 乃经客栈闲祥之考恩復作出·而本公佑亦無遗漏其他事 **贯·以致本公佈所裁内客有所获得。**

张基德林董事的本公佛所藏资料 (有關建群企業、编典及中览之资料除外) 之草壤性若用及個别承擔全部責任,且在作出一切合理安由後,確認就 避等所涯如及所信,本公保所永远之意见(才·随德祥企宜、梅异及中至之意无除外) 万短客模用华之琦惠接作出,而本公保亦禹遗画其他事贯,以 **技术公佈所裁判客有所获得。**