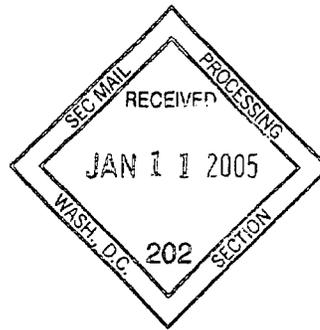


HellerEhrman

January 6, 2005



Heller Ehrman White & McAuliffe
Solicitors and International Lawyers

海陸國際律師事務所

Simon Luk

Chairman, Hong Kong

Direct 2292 2222

Direct Fax 2292 2200

Main 852.2292.2000

Fax 852.2292.2200

VIA AIRMAIL

The Office of International Corporate
Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Mail Stop 3-9
Washington, D.C. 20549
U.S.A.



SUPPL

PROCESSED

JAN 18 2005

THOMSON
FINANCIAL

Ladies and Gentlemen:

SEC FILE NO. 82-3648

Re: Techtronic Industries Company Limited
Information Furnished Pursuant to Rule 12g3-2(b)
under the Securities Exchange Act

On behalf of Techtronic Industries Company Limited (the "Company"), S.E.C. File No. 82-3648, 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:

- (1) The Company's announcement regarding results of the extraordinary general meeting held on 3rd January 2005 in relation to the major transaction, dated January 3, 2005, published (in the English language) in South China Morning Post and published (in the Chinese language) in Hong Kong Economic Times, both on January 4, 2005;

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

Hong Kong Beijing Singapore San Francisco Silicon Valley Los Angeles San Diego Seattle Portland Anchorage
New York Washington, D.C. Madison, WI Affiliated Offices: Milan Paris Rome

- (2) The Company's announcement regarding re-designation of director, dated December 31, 2004, published (in the English language) in The Standard and published (in the Chinese language) in Hong Kong Economic Times, both on January 3, 2005;
- (3) The Company's circular regarding a major transaction: The proposed acquisition of companies comprising the Milwaukee, AEG and DREBO Electric Power Tools and accessories businesses of Atlas Copco AB, dated November 23, 2004;
- (4) The Company's announcement regarding notice of the extraordinary general meeting, dated November 23, 2004, published (in the English language) in South China Morning Post and published (in the Chinese language) in Hong Kong Economic Times, both on November 23, 2004;
- (5) The Company's announcement regarding further delay in despatch of the circular, dated November 1, 2004, published (in the English language) in The Standard and published (in the Chinese language) in Hong Kong Economic Times, both on November 2, 2004;
- (6) The Company's announcement regarding further delay in despatch of the circular, dated October 11, 2004, published (in the English language) in The Standard and published (in the Chinese language) in Hong Kong Economic Times, both on October 12, 2004;
- (7) The Company's announcement regarding changes in directorships, dated September 30, 2004; published (in the English language) in South China Morning Post and published (in the Chinese language) in Hong Kong Economic Times, both on October 4, 2004; and
- (8) The Company's announcement regarding delay in despatch of circular, dated September 20, 2004, published (in the English language) in The Standard and published (in the Chinese language) in Hong Kong Economic Times, both on September 21, 2004.

The part 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

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

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,



Simon Luk

Enclosures

cc: Techtronic Industries Company Limited

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

Hong Kong Beijing Singapore San Francisco Silicon Valley Los Angeles San Diego Seattle Portland Anchorage
New York Washington, D.C. Madison, WI *Affiliated Offices:* Milan Paris Rome



CHINA Appointments

General Manager

Required for International Apparel Company

We are looking for an experienced G.M. to head our offices in Shanghai. The candidate must have outwearing experience and have spent time in U.S.A. understanding the demands of the North American market. The candidate should be willing and able to expand the source of supply as well as managing the various staff that we currently have. Only experienced and aggressive hands on applicants should apply. Please send a complete application stating your qualification and expected remuneration to The Recruitment Manager, c/o Suite 805, 9 Queen's Road Central, Hong Kong.



World Link Medical & Dental Centers Shanghai, China

World Link operating a network of medical and dental facilities in Shanghai seeks OB/GYN physicians, Pharmacy Manager and Billing & Claim Expert. Excellent opportunity to discover China and work with an international team of medical professionals from North America, Europe, China, Japan and South East Asia. Board certified and 4-5 years experience is required for OB/GYN physician. Current license is required for Pharmacy Manager. Experience in accounts receivable or insurance health care claim is required for Billing & Claim Expert. Attractive package.

Interested candidates please forward resumes to the Human Resources Department at fax 8621 24028049 or email hr@worldlinkshanghai.com

For more information, visit our website at www.worldlink-shanghai.com.

SECRETARIAL AND ADMINISTRATION Appointments

ADMINISTRATION OFFICER

A leading machinery tool, Sowa International Tool & Machine S.R.L. Casadisa Company is looking for an administration officer to join their office in Hong Kong, to provide support and share business work in their expanding office.

Job Description:

- Responsible for office administration function for HK office
- Handle office operation, HR issues and administration
- Liaison with branch offices to enhance communication
- Organize and implement promotional activities and marketing events
- Review reports and to make them more functional and accurate

Requirements:

- Prepared to take additional duties and meet tight deadlines
- Able to work with people of different cultural background
- Positive work attitude: committed, accountable, enthusiastic, helpful, willing to learn and to participate and to learn others
- Responsible with strong leadership skills
- Have good understanding on trading business nature such as L/C application/amendments, shipment procedures, shipping documentation and contract or license renewals
- Have accounting knowledge
- Strong computer skills & communication skills
- Fluent English, Cantonese and Mandarin

Interested parties, please send your application with CV and expected salary to sales@sowahk.com.hk or fax to 2628 1622. (Personal data collected will be used for recruitment purposes only.)

At your service

Tel: 2680 8333
Fax: 2688 7872
Email: classified@scmp.com

Bookings?

Tel: 2565 8822
Fax: 2565 7972
Email: classified@scmp.com

Leading Inter'l Handbag and Accessory Company is expanding their office in Dongguan.

Experienced Handbag Designer

- must be capable to coordinate with U.S. designers in English; written & spoken
- knowledge of trends and styling
- work independently
- good experience in sample development

We offer an excellent package, please send your complete resume, expected salary to Bonnie Lau (HK) Ltd., Room 403, Banker Centre, 5-15 Haakow Rd., T.S.T. KLN, or email to connie_la@bonnie.com.hk

Personal data collected will be used for recruitment purpose only.

An expanding US based Company has the following position available:

QA-MANAGER

- Degree or Diploma holder in Engineering or Quality Management Discipline
- At least 5 years experience in establishing, maintaining and improving quality management system & procedures in manufacturing company
- Overseeing IQC, IPQC and QA
- Familiar with ISO 9001 Quality system
- Require experience in establishing SPC program
- Defect analysis skill and technical report writing skill required
- Direct communication with the Quality Manager in US

Applicants must be fluent in English and Mandarin, 6 days work and station in Dongguan factory are required. Interested parties, please send full resume, contact telephone number, expected salary to I-ATC Asia Pacific Ltd., Attn: General Manager, 1805, Millenium Park, 26 Chaikwan Kok St., Tsuen Wan, N.T. Personal data collected will be used for recruitment purpose only.

CLHK Ltd. - Professional Firm seeks

- Experienced Audio Typist - English/Cantonese
- Fluent English Speaking
- Must hold a valid working visa/HKD Card

Please e-mail your resume and expected salary to admin@clhk.com.hk

Personal data collected will be used for recruitment purpose only.

Secretary

with 20 yrs. experience. Req. for office work & sales for central firm. Sal. \$9,000-\$12,000. Pls send resume to Bolivia Ltd. G.P.O. Box 4352, with proof of current or last salary. Quote SC on envelope. Personal data collected will be used for recruitment purpose only.

A listed Company in Central urgently requires:

Secretary

- Form 7 with formal secretarial training
- Good command of spoken & written English & Mandarin
- Fast and accurate typing
- Computer knowledge
- At least 2 years relevant experience

Interested parties please call Ms Jade at 2810-4720 for arranging an interview.

E-mail your ad to us classified@scmp.com

GENERAL Appointments

Accounts Clerk

- Form 7 or above, L/C, Banker
- Must be fluent in English and Cantonese
- Able to handle full set of accounts and familiar with PRC accounting
- Familiar with handling Purchases Ledger and data inputting
- Maintain accounts for daily transactions and data input
- Computer skills in MS Excel and MS Word
- Willing to travel to PRC frequently
- Good command of spoken and written English
- Good command of Mandarin
- Immediately available is preferred

Interested parties please write full resume, INDICATE salary expected and attach a recent photo to Eastern Sources (Brokers) Electronics Co. Ltd., Address: Rm. 15-18, S/F, Commercial Industrial Bldg., 17 On Lok Mun St., Fanling, NT. Personal data collected will be used for recruitment purpose only.

Merchandise

Good communication skills with overseas buyers and vendors. Fluent in spoken and written English and Cantonese. Computer literate. Hardworking and independent. Interested parties, please fax resume with expected salary to 2542 1416 or email address: wendyja@netvigator.com

Sun Island English Kindergarten

Administrative Officer

- Degree or above
- 1 to 2 years relevant working experience in education field and administration works
- Working experience in Kindergarten will be preferable
- Good written and spoken English and Chinese
- Well organized, able to work independently, good communication and presentation skills
- Immediate availability preferred

Interested parties please send your application letter and detailed CV with expected salary to headoffice@sunisland.edu.hk or by fax to 27717103

Personal data collected will be used for recruitment purpose only.

G-Set English Centre requires

Qualified Native English Teachers

- Part-time on Saturdays & Sundays
- TESOL, CELTA or Degree in English
- All teaching material provided

Please call Daniel or Glen on 2877-1819, or send CV to rec@netvigator.com

Cosmetics Sourcer

One of the world's leading luxury brands seeks an EXPERIENCED cosmetics sourcer to source a new line. Extremely competitive compensation. Please email VictorW@Argent.com

SHA TIN COLLEGE, 3 Lai Wo Lane, Po Tan, Sha Tin, Hong Kong
Tel: 2699 1811, Fax: 2695 0592, Email: info@shatincollege.edu.hk
Website: <http://www.shatincollege.edu.hk>
Principal: Mr. David Cottam

A secondary school with over 1,200 students on roll including 300 in years 12 and 13.

Teacher of English (Temporary Contract) 3 January-7 July 2005
The school requires a full time Teacher of EAL / English to teach across the full age and ability range including IB Diploma students on a temporary contract from 7 January to 7 July 2005.

Teacher of Business Education (Temporary Contract) 3 January-7 July 2005
The school requires a full time Teacher of Business and/or Economics capable of teaching GCSE and IB Diploma standard.

Library Assistant
(full time, 39 hrs/week, term-time only, starting Nov 2004)
An assistant is required to work closely with the Librarian in maintaining and developing the school library. The successful candidate will be fluent in English, possess good ICT skills and be enthusiastic about children's literature and helping students in their reading. The position holder will be required to take no pay leave in the school summer vacations.

Closing date for all Sha Tin College positions: Friday 8th October 2004

ISLAND SCHOOL, 20 Borrett Road, Hong Kong
Tel: 2324 7125, Fax: 3160 1673, Email: njobs@gmail.com
Website: <http://www.island.edu.hk>
Principal: Mr. David James

This is a Secondary school with 1150 students on roll including 280 in years 12-13.

Drama/Resources Technicians (full time, 39 hrs/week)
This is a new appointment, applicants who have applied earlier will be recommended and need not re-apply. The school requires a knowledgeable, hard working and creative technician who will support all of the technical dimensions of the School's performances, exam coursework, assemblies and special events. The post holder should be able to offer guidance and support in respect of day-to-day requiring and maintenance as well as some artistic direction. The personal qualities needed are flexibility, the ability to relate to young people, a high degree of independence and initiative. Good IT skills would be an advantage. Some evening and weekend work may be required within the contracted 39 hrs week.

The Applications should include the current and expected salary.

Closing date: Friday 8th October 2004

Sales Clerk
Fluent Speaking Eng. & Cantonese
P-5 above Age 16-26
Send resume & expected Sal. To: Box No. 5565 GPO HK, Minty Int'l Ltd.

*** Required

Native Teachers
for our leading schools (English, Art & Crafts)
Fac: 2337 6511
Email: teacher0405@yahoo.com.hk

Personal data provided by job applicants will be used strictly in accordance with the English Schools Foundation's Personal Data Policy, a copy of which will be provided immediately upon request.
Website: <http://www.esf.edu.hk>

Native English Private Tutor

Wanted to teach Grade 5 English & Math. \$250 per hour, 3 days per week, 10:00am-12:00pm, afternoon, please contact Mr. Fong 9613 0524.

Vocational Training Council
External Relations Office

In support of the VTC's mission and in line with its 5-year Strategic Plan, the External Relations Office strives to build up strong relations and partnerships between the VTC and its major stakeholders. An important objective of the Office is to promote the corporate image of the VTC and the status of vocational education and training in society through delivering professional and cost-effective marketing and communication services. Applications are invited for the following posts:

Major Duties: To (a) be responsible for media networking and liaising/coordinating with various media organizations in support of VTC's programme of marketing and publicity activities; (b) monitor press and public comments on the VTC; (c) arrange press conferences, press briefings and interviews; (d) write press releases and feature articles; (e) answer enquiries from the media and the general public; (f) be responsible for the editorial work of the VTC's publications, including periodicals for internal and external audiences; and (g) assist in the preparation and production of promotional publications of the Council and its institutes.

Requirements: (a) A recognized degree or equivalent; (b) at least 5 years' experience in the field of journalism, editing/proofreading and publishing; (c) excellent writing and press releases and feature articles; (d) good knowledge of current affairs and strong news sense; and (e) good interpersonal and communication skills.

Major Duties: To (a) assist with the planning and organizing of promotional activities of the VTC; (b) assist in the preparation and production of marketing collateral/promotional materials, corporate communication (internal and external) materials, promotional video/cassettes and other audio-visual materials; (c) edit and place advertisement; (d) arrange press conferences, press briefings and interviews; (e) write press releases and feature articles; (f) prepare reports of press coverage on the VTC; and (g) answer enquiries from the media and the general public.

Requirements: (a) A recognized degree or equivalent; (b) at least 2 years' post-qualification work experience, preferably in advertising, public relations and/or media; (c) good written and spoken English, fluent Cantonese and written Chinese; and preferably the ability to speak Putunglish; and (d) good interpersonal, communication and presentation skills.

Estates, Health and Safety Division

Major Duties: To (a) assist the Principal Surveyor's Office in the preparation of financial statements, cash flow statements, and updating of financial data and records for maintenance works; (b) check and measure on site the quantity of materials used; (c) prepare payment certificates and recommend variation of payment to contractors; and (d) check arrear rates claims from contractors.

Requirements: (a) A recognized Higher Certificate or Diploma in Building Studies or equivalent; (b) at least 2 years' experience in handling site measurements and claims in building and building services contracts; (c) good knowledge of Excel and Access; and (d) working knowledge of building services.

Note: (1) For Posts (1) & (2), short-listed applicants will be required to sit for a written test in both English and Chinese.
(2) The successful candidates will be required to perform duties outside normal office hours.

Conditions: The successful candidates will enter at the starting salary of the Posts. Appointment will be made on fixed-term contracts. Subject to satisfactory performance, appointee may be granted service pay and discretionary performance bonus.

APPLICATIONS

(a) Application forms (VTC-1A (Rev. 1/2004) for Posts (1) & (2) and VTC-1 (Rev. 1/2004) for Post (3)) are available: (i) from G/F, VTC Tower, 27 Wood Road, Wanchai, Hong Kong; or (ii) from the Council's Training and Corporate Services Centre and its computer; (c) from website <http://www.vtc.edu.hk/jobs>; or (d) by fax (2619 1413).

(b) Completed application form <http://www.vtc.edu.hk/jobs> should be sent to the Appointment Section, 27A-27C, Wanchai, 27 Wood Road, Wanchai, Hong Kong. Please specify on envelope the post applied for.

Applications not invited for interview within 1 month from the closing date may consider their applications unsuccessful. The Council reserves the right not to fill the posts. Personal data collected will be used for recruitment purposes only and will be destroyed within 12 months.

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Customer Services: 2680 8333

The fastest way to book an ad
e-mail: classified@scmp.com



香港聯合交易所有限公司對本公佈之內容概不負責，對其準確性或完整性亦不發表任何聲明...



NEW WORLD CYBERBASE LIMITED (新世界數碼基地有限公司)

(於百慕達註冊成立之有限公司)

(股份代號: 276)

遞延向股東寄發有關清洗免稅之通知

寄發通知之最後日期已由二零零四年十二月三十一日遞延至二零零五年一月十四日或以前。

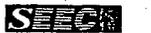
本公司將於寄發通知時另行刊載有關於供股之經修訂預期時間表之公佈。

茲將遞延世界數碼基地有限公司(「本公司」)於二零零四年十一月二十二日發表之公佈(「該公佈」)...

有關供股之經修訂預期時間表 由於遞延寄發通知，本公司將於寄發通知時另行刊載有關於供股之經修訂預期時間表之公佈。

承董事會命 新世界數碼基地有限公司 公司秘書 邱志基

香港，二零零四年十二月三十一日 於本公佈發刊日期，董事會包括六位董事，其中李耀雄先生及何蔚文女士為執行董事...



財訊傳媒集團有限公司

(於百慕達註冊成立之有限公司)

(股份代號: 205)

執行董事 及授權代表變動

財訊傳媒集團有限公司(「本公司」)董事會(「董事會」)宣佈，徐小魯先生因個人原因已辭職...

董事會亦宣佈，劉恩輝先生已獲委任為執行董事兼授權代表，自二零零四年十二月三十一日起生效。

劉先生，42歲，負責本集團之投資策劃，劉先生畢業於對外經濟貿易大學，取得經濟學士學位...

本公司與劉先生之關係並無利益衝突，劉先生之委任並無指定任期，惟如獲續聘本公司之合約則須經股東大會批准。

代表董事會 財訊傳媒集團有限公司 主席 王駿明

香港，二零零四年十二月三十一日 於本公佈日期，董事會成員包括執行董事王駿明先生、廖智輝先生、廖小波先生、李俊傑先生、黃國強先生及劉恩輝先生...

UDL 太元集團有限公司

(於百慕達註冊成立之有限公司)

(股份代號: 620)

股東週年大會之結果

董事會欣然宣佈股東週年大會於股東週年大會正式通過，有關二零零四年十二月一日之股東週年大會，董事會欣然宣佈，股東週年大會之結果如下：

- 1. 有關批准二零零四年七月三十一日止年度之經審核綜合財務報表、董事會報告及核數師報告。 2. 有關重選陳國強先生及黃國強先生為董事會成員。 3. 有關重選陳國強先生及黃國強先生為本公司之核數師。 4. 有關向董事會提出一般性授權以發行本公司股份。 5. 有關向董事會提出一般性授權以發行本公司股份。 6. 有關擴大新發行授權(以保障該等第4項決議案作出任何限制)。

股東週年大會 於二零零四年十二月三十一日舉行之本公司股東週年大會(「股東週年大會」)由本公司董事會主席陳國強先生主持...

於本公佈日期，董事會成員包括執行董事陳國強先生及陳國強小姐，以及獨立非執行董事陳國強先生、黃國強先生及黃國強小姐。

承董事會命 主席 陳國強

香港，二零零四年十二月三十一日



MEXAN LIMITED 茂盛控股有限公司

(於百慕達註冊成立之有限公司) (股份代號: 22)

截至二零零四年三月三十一日止年度全年業績公佈

茂盛控股有限公司(「本公司」)之董事會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至二零零四年三月三十一日止年度全年業績及財務摘要如下：

Table with 4 columns: Item, 2004, 2003, 2002. Rows include Revenue, Profit, Dividend, etc.

董事會 董事會主席陳國強先生(「主席」)欣然宣佈，本集團於二零零四年三月三十一日止年度全年業績表現良好，收入及溢利均錄得增長。

主席 陳國強 副主席 黃國強 董事 陳國強、黃國強、李耀雄、何蔚文、廖智輝、廖小波、李俊傑、黃國強、劉恩輝

本公司之業務 本公司之業務包括：(i) 提供物業管理服務；(ii) 提供保安服務；(iii) 提供清潔服務；(iv) 提供維修及保養服務；(v) 提供其他相關服務。

主席陳國強先生於二零零四年三月三十一日辭職，由劉恩輝先生接替其職務。劉先生已獲委任為執行董事兼授權代表，自二零零四年十二月三十一日起生效。

劉先生，42歲，負責本集團之投資策劃，劉先生畢業於對外經濟貿易大學，取得經濟學士學位。劉先生曾任職於多個大型企業，擁有豐富之管理經驗。

本公司與劉先生之關係並無利益衝突，劉先生之委任並無指定任期，惟如獲續聘本公司之合約則須經股東大會批准。

董事會亦宣佈，劉恩輝先生已獲委任為執行董事兼授權代表，自二零零四年十二月三十一日起生效。

劉先生，42歲，負責本集團之投資策劃，劉先生畢業於對外經濟貿易大學，取得經濟學士學位。劉先生曾任職於多個大型企業，擁有豐富之管理經驗。

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董事會欣然宣佈，劉恩輝先生已獲委任為執行董事兼授權代表，自二零零四年十二月三十一日起生效。

劉先生，42歲，負責本集團之投資策劃，劉先生畢業於對外經濟貿易大學，取得經濟學士學位。劉先生曾任職於多個大型企業，擁有豐富之管理經驗。

本公司與劉先生之關係並無利益衝突，劉先生之委任並無指定任期，惟如獲續聘本公司之合約則須經股東大會批准。

香港聯合交易所有限公司對本公佈的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，若有錯誤，概與本公佈的內容無涉。

Haier CCT HAIER-CCT HOLDINGS LIMITED (海爾中捷集團有限公司)

(於香港註冊成立的有限公司)
(股份代碼: 1169)

可經由海爾集團注意
涉及收購及收購後事宜及進行行使開權
非常重大收購
反收購行動及關連交易
涉及一項新上市申請
及
申請提出清洗豁免
延長最後期限

謹此提請該公告，本公司於二零零四年六月三十日及二零零四年八月三十一日刊登的公告，以及本公司於二零零四年十一月十八日刊登的傳單，以修訂該公告所載的最後期限，已進一步延長至二零零五年二月七日(包括該日期)為止。

謹此提請該公告以及本公司於二零零四年十一月十八日刊登的傳單(「該傳單」)內容有關建議修訂(其中包括)非常重大收購、反收購行動、關連交易、新上市申請及清洗豁免，以及本公司於二零零四年六月三十日及二零零四年八月三十一日刊登的公告，除另有指明外，本公佈所載的與該建議修訂所界定者具有相同涵義。

建議修訂中規定，倘完成建議修訂的任何條件(「先決條件」)並未於二零零四年六月三十日或之前(或所有訂約方可同意修訂的日期)達成，則該建議修訂將失效。本公司在修訂建議修訂時，將建議修訂將不具備任何效力，最後期限已於二零零四年六月三十日(包括該日期)內，以及於二零零四年八月三十一日(包括該日期)內，進一步延長至二零零四年十二月三十一日。批准建議修訂的決議案已於二零零四年十二月三十一日舉行的股東特別大會上通過，惟若干先決條件並未達成。

先決條件包括：(a) 建議修訂的訂約方須與本公司合作，以達成尚未達成的先決條件；(b) 收購人須向本公司提供有關其財務狀況及業務的資料，以及(III) 收購人須向本公司提供有關其上市申請、(IV) 收購人須向本公司提供有關其收購後事宜及(IV) 收購人須向本公司提供有關其收購後事宜。此外，先決條件亦包括：(a) 收購人須向本公司提供有關其財務狀況及業務的資料，以及(II) 收購人須向本公司提供有關其上市申請、(III) 收購人須向本公司提供有關其收購後事宜及(IV) 收購人須向本公司提供有關其收購後事宜。

董事會謹此公佈，於二零零四年十二月三十一日，海爾集團及本公司已同意進一步延長最後期限至二零零五年二月七日(包括該日期)為止。此項修訂將不具備任何效力，最後期限已於二零零四年六月三十日(包括該日期)內，以及於二零零四年八月三十一日(包括該日期)內，進一步延長至二零零五年二月七日(包括該日期)為止。

董事會已確認，自該項修訂日期起，該項修訂所載的資料概無任何重大變動。

於本公佈刊登日期，董事為：
執行董事： 張紹銘、吳克敏、南水、周樹山、譚啟洪、鄭少波及譚其
獨立非執行董事： 林建雄、譚國強及劉可為

「該公告」指 本公司、海爾集團公司及海爾投資於二零零四年四月二日刊登的聯合公告
「傳單」指 本公司擬建議收購收購機洗衣機廠，以及本公司行使選擇權，以收購本公司於海爾青島尚未擁有的33.5%應佔權益
「先決條件」指 本公司、海爾集團公司及海爾投資於二零零四年三月五日就收購機洗衣機廠訂立的有條件買賣協議

董事會
HAIER-CCT HOLDINGS LIMITED
(海爾中捷集團有限公司)
主席
張紹銘

董事會謹此公佈，於二零零四年十二月三十一日，海爾集團及本公司已同意進一步延長最後期限至二零零五年二月七日(包括該日期)為止。此項修訂將不具備任何效力，最後期限已於二零零四年六月三十日(包括該日期)內，以及於二零零四年八月三十一日(包括該日期)內，進一步延長至二零零五年二月七日(包括該日期)為止。

董事會已確認，自該項修訂日期起，該項修訂所載的資料概無任何重大變動。

於本公佈刊登日期，董事為：
執行董事： 張紹銘、吳克敏、南水、周樹山、譚啟洪、鄭少波及譚其
獨立非執行董事： 林建雄、譚國強及劉可為

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SHANGHAI ALLIED CEMENT LIMITED 上海聯合水泥股份有限公司

(於香港註冊成立的有限公司)
(股份代碼: 1066)

須予披露及持續關連交易

董事謹此宣佈，本公司與其控股股東天安訂立補充協議，據此，本公司及天安會將修訂之年期由二零零七年十二月三十一日，以作出對等安排，安排各自之中國附屬公司對對方之中國附屬公司會受分別提供聯合水泥擔保及天安擔保。

根據上市規則第14.06(2)條，補充協議及聯合水泥擔保將構成本公司之須予披露交易。由於天安為本公司之控股股東，根據上市規則第14A章之規定，補充協議及聯合水泥擔保亦構成本公司之須予披露關連交易，但待獨立股東批准後方可作實。

根據上述資料，天安為本公司之關連人士，因此天安及其關連人士須於股東特別大會上就批准補充協議及提供聯合水泥擔保提供披露。

本公司將於適當時候向股東寄發一份傳單，當中載有(其中包括)(i)補充協議之詳情；(ii)本公司獨立董事委員會就補充協議及提供聯合水泥擔保之推薦建議；(iii)獨立財務顧問向本公司獨立董事委員會提供有關補充協議及提供聯合水泥擔保之意見；及(iv)召開股東特別大會之通告。

附註：
倘本公司在二零零七年七月八日發表之公佈披露，本公司與天安訂立協議，據此，本公司及天安已安排各自之中國附屬公司對對方之中國附屬公司會受分別提供聯合水泥擔保及天安擔保。修訂之年期由二零零七年十二月三十一日(即二零零七年七月八日)起計三年(即二零零七年七月八日至二零零七年七月八日)。

本公司與天安訂立之補充協議，其年期由二零零七年十二月三十一日(即二零零七年七月八日)起計三年(即二零零七年七月八日至二零零七年七月八日)。

Vertical text on the left margin, likely a page number or reference code.

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HUNG HING 鴻興印刷集團有限公司

(於香港註冊成立的有限公司)
(股份代碼: 450)

中期股息
截至二零零四年九月三十日止六個月

根據於二零零四年十二月八日之公佈，本公司董事會宣佈向於二零零四年九月三十日止六個月之股東派發中期股息。此外，董事會亦宣佈派發中期股息。新股息之派發日期定為二零零四年十二月三十一日。

重視精神病康復者潛能 讓他們盡展抱負與才華



江西銅業股份有限公司 JIANGXI COPPER COMPANY LIMITED

(在中華人民共和國註冊成立的中外合資股份有限公司)

(股份代號: 0358)

臨時股東大會通告

茲將江西銅業股份有限公司(本公司)將於二零零四年十一月二十六日(星期五)上午十時正在中華人民共和國江西省貴州市市金大埔十五號本公司辦公會議室舉行臨時股東大會, 藉以考慮及酌情通過以下以本公司特別決議案方式提議的決議案:

特別決議案

- 「動議在有關中國政府機關批准發行債券(定義見本公司於二零零四年十月十二日刊登其H股股東的通告(「通告」)內), 在轉換可換股債券(定義見下文)而配發及發行的本公司新A股及可換股債券(定義見下文)在獲批准在上海證券交易所上市及買賣(不論是否受條件限制)後以達成規限下:—
 - 透過增設數目相等於按可換股債券(定義見下文)加本決議案下文(ii)所述的轉換而將不發行的A股, 更改本公司的註冊資本;
 - 批准本公司按照通告內所述的條款及條件(可經本公司董事批准後予以修訂)發行最高總額人民幣2,000,000,000元可轉換為本公司新A股的可換股債券(「可換股債券」), 並授權本公司董事(1)按本公司董事可能決定的該等條款及條件發行可換股債券及(2)據此批准及簽署(或批准簽署)任何有關的文件及(3)從發行可換股債券生效, 並因可換股債券轉換配發及發行新A股, 該等於(1)及(2)即所述的授權將於二零零五年十一月二十五日屆滿, 除非股東於股東大會或H股持有人或內資股持有人於類別股東大會(視乎情況而定)續期或修訂; 及
 - 授權本公司董事按彼等認為本公司章程的有關條文作出合宜及必須的修訂, 以反映本決議案所述的事宜(包括但不限於本公司註冊資本的變動);」

普通決議案

- 「動議批准及授權本公司前次籌集資金使用情況, 前次發行23,000萬A股, 本公司於二零零一年十二月二十八日實際收到的扣除開支, 推介費及上市費用共計人民幣1,196萬元後A股所籌集資金總額為人民幣51,014萬元。在扣除發行費用共計人民幣1,529萬元後的淨額人民幣49,485萬元, 並於二零零一年十二月二十八日, 該項資金全部到位, 且經聯動聯合會計師事務所有限公司驗證出具驗收事項報告, 之後, 該項資金投資於貴州冷湖三期技術改造項目、收購江西銅業公司武山銅礦生產經營性資產和投資貴州銅礦選天銅採選技術改造等三個項目, 並已於二零零二年十二月三十一日全部使用完畢, 使用情況如下:

承辦項目	項目投資 計劃總額 (人民幣) (萬元)	其中:	
		二零零二年 利用籌集 資金使用情況 (人民幣) (萬元)	截至二零零三年 十二月三十一日 完工進度 (%)
貴州冷湖三期技術改造項目	450,000	26,005	本公司工 程師已完 工
收購武山銅礦項目	275,000	275,000	尚未完工
貴州銅礦開採	81,000	4,099	尚未完工
合計	250,381	49,485	—

- 「動議批准本公司本次發行最高總額人民幣2,000,000,000元的可換股債券的籌集資金投資用於收購武山銅礦生產經營性資產及授權、貴州銅礦開採天銅採選技術改造及購買通過採購礦、開採開採礦利用項目、40萬噸礦項目及補充運送資金, 其中:

1. 投資人民幣37,818萬元(可予調整)收購武山銅礦生產經營性資產及授權;
2. 投資人民幣88,105萬元開採貴州銅礦開採;
3. 投資人民幣46,336萬元用作開採開採礦利用項目;
4. 投資人民幣12,705萬元新造40萬噸/年礦項目; 及
5. 倘若可轉債發行所籌集的淨額有剩餘, 則作為公司一般營運資金。」

- 「動議
 - 批准、追認及認本公司與江西銅業集團公司(「江銅」)簽訂日期為二零零四年九月二十七日的收購協議(一份其上市註冊的副本已於會上提呈, 並由大會主席簽署, 以資識別), 授權該協議, 江銅同意出售而本公司同意向江銅收購武山銅礦的經營資產、相關負債及其授權, 總代價為人民幣378,188,600元(可予調整)(「協議」); 及
 - 授權本公司董事代表本公司因應或基於協議而簽署、董事、執行、完結、交付及作出該等情事為必需或宜或恰當的所有文件、契據、行動、事情或事宜, 並在彼等認為適宜和符合本公司利益的情況下, 對協議條款作出任何等而性質並非重大的修改;」

承董事會命
黃東風
公司秘書

中國江西省, 二零零四年十月十二日

附註:

- 關於第二項普通決議案, 前次發行本公司230,000,000股A股籌集資金使用效果如下:
籌集資金實際使用情況與本公司有關年度報告和其他信息披露文件相符合, 不存在虛假, 籌集資金使用效果令人滿意, 貴州冷湖三期技術改造項目: 利用籌集資金產生的主要會計利潤為1,379萬元, 武山銅礦收購價: 二零零二年、二零零三年分別為公司增加利潤總額933萬元及4,270萬元, 貴州銅礦開採天銅採選技術改造項目在建設之中。
- 前次籌集資金使用情況經會計師事務所, 並以中國(聯)字(04)第R035號文出具了專項資金使用報告, 該報告指出前次籌集資金使用情況與上述的向可有關信息披露文件基本相符。
- 關於第三項普通決議案, 投資事項的目的為配合本公司發展戰略, 項目完成後, 將進一步提高本公司的資產規模, 生產能力, 經濟效益和抗風險能力(有關買賣項目的詳情, 請參閱本公司於二零零四年十月十二日刊登其H股股東的通告)。
- 凡有權出席上述大會及在會上投票的股東均有權委託一位或多位代理人代其出席大會及在會上投票, 受委任代理人須為本公司股東。
- 代理人應任職及(倘代理人委任職務由他人根據授權書或其他授權文件代表委任人委任, 經公認人簽署或親筆簽署或授權文件副本), 應備於大會舉行時間前24小時前送交本公司(地址為: 中國江西省貴州市金大埔十五號本公司H股股份總登記處華聯證券登記有限公司, 地址為: 廣東省珠海市香洲大道185號合和中心46樓(僅H股持有人代理人委任職務書)), 方為有效。
- 股東或其代理人出席大會時須出示本人身份證明文件。
- 本公司將於二零零四年十月二十六日(星期二)至二零零四年十一月二十六日(包括首尾兩天)暫停辦理過戶登記。
- 於二零零四年十一月二十六日(星期二)已經登記在本公司股東名冊上的股東有權出席上述大會及於會上投票。
- 有權出席大會的股東, 須填妥出席大會的表格於二零零四年十一月五日(星期五)或前日之中午前寄交本公司的法定地址中華人民共和國江西省貴州市金大埔十五號, 以便可以入帳, 郵寄有關文件(圖文傳真號碼為(86) 701-3377101)方式交回。
- 預期臨時股東大會將持續少於半天, 出席臨時股東大會的本公司股東或代理人須負責其本身的交通及住宿費用。

內資股類別股東大會通告

茲將江西銅業股份有限公司(本公司)將於二零零四年十一月二十六日(星期五)上午十時三十分(或緊隨臨時股東大會結束或休會後)在中華人民共和國江西省貴州市市金大埔十五號本公司辦公會議室舉行內資股(包括新上市內資股及A股)股東大會, 藉以考慮及酌情通過以下以本公司特別決議案方式提議的決議案:

特別決議案

- 「動議在有關中國政府機關批准發行債券(定義見本公司於二零零四年十月十二日刊登其H股股東的通告(「通告」)內), 在轉換可換股債券(定義見下文)而配發及發行的本公司新A股及可換股債券(定義見下文)在獲批准在上海證券交易所上市及買賣(不論是否受條件限制)後以達成規限下:—
 - 透過增設數目相等於按可換股債券(定義見下文)加本決議案下文(ii)所述的轉換而將不發行的A股, 更改本公司的註冊資本;
 - 批准本公司按照通告內所述的條款及條件(可經本公司董事批准後予以修訂)發行最高總額人民幣2,000,000,000元可轉換為本公司新A股的可換股債券(「可換股債券」), 並授權本公司董事(1)按本公司董事可能決定的該等條款及條件發行可換股債券及(2)據此批准及簽署(或批准簽署)任何有關的文件及(3)從發行可換股債券生效, 並因可換股債券轉換配發及發行新A股, 該等於(1)及(2)即所述的授權將於二零零五年十一月二十五日屆滿, 除非股東於股東大會或H股持有人或內資股持有人於類別股東大會(視乎情況而定)續期或修訂; 及
 - 授權本公司董事按彼等認為本公司章程的有關條文作出合宜及必須的修訂, 以反映本決議案所述的事宜(包括但不限於本公司註冊資本的變動);」

承董事會命
黃東風
公司秘書

中國江西省, 二零零四年十月十二日

附註:

- 凡有權出席上述大會及在會上投票的股東均有權委託一位或多位代理人代其出席大會及在會上投票, 受委任代理人須為本公司股東。
- 代理人應任職及(倘代理人委任職務由他人根據授權書或其他授權文件代表委任人委任, 經公認人簽署或親筆簽署或授權文件副本), 應備於大會舉行時間前24小時前送交本公司(地址為: 中國江西省貴州市金大埔十五號本公司H股股份總登記處華聯證券登記有限公司, 地址為: 廣東省珠海市香洲大道185號合和中心46樓), 方為有效。
- 股東或其代理人出席大會時須出示本人身份證明文件。
- 預期內資股類別股東大會將持續少於半天, 出席內資股類別股東大會的本公司股東或代理人須負責其本身的交通及住宿費用。

內資股股東出席會議的具體事項詳見二零零四年十月十二日《中國證券報》、《上海證券報》及《證券時報》之公告並以此公告為準。

H股類別股東大會通告

茲將江西銅業股份有限公司(本公司)將於二零零四年十一月二十六日(星期五)上午十時五十分(或緊隨內資股類別股東大會結束或休會後)在中華人民共和國江西省貴州市市金大埔十五號本公司辦公會議室舉行H股類別股東大會, 藉以考慮及酌情通過以下以本公司特別決議案方式提議的決議案:

特別決議案

- 「動議在有關中國政府機關批准發行債券(定義見本公司於二零零四年十月十二日刊登其H股股東的通告(「通告」)內), 在轉換可換股債券(定義見下文)而配發及發行的本公司新A股及可換股債券(定義見下文)在獲批准在上海證券交易所上市及買賣(不論是否受條件限制)後以達成規限下:—
 - 透過增設數目相等於按可換股債券(定義見下文)加本決議案下文(ii)所述的轉換而將不發行的A股, 更改本公司的註冊資本;
 - 批准本公司按照通告內所述的條款及條件(可經本公司董事批准後予以修訂)發行最高總額人民幣2,000,000,000元可轉換為本公司新A股的可換股債券(「可換股債券」), 並授權本公司董事(1)按本公司董事可能決定的該等條款及條件發行可換股債券及(2)據此批准及簽署(或批准簽署)任何有關的文件及(3)從發行可換股債券生效, 並因可換股債券轉換配發及發行新A股, 該等於(1)及(2)即所述的授權將於二零零五年十一月二十五日屆滿, 除非股東於股東大會或H股持有人或內資股持有人於類別股東大會(視乎情況而定)續期或修訂; 及
 - 授權本公司董事按彼等認為本公司章程的有關條文作出合宜及必須的修訂, 以反映本決議案所述的事宜(包括但不限於本公司註冊資本的變動); 及
 - 以免阻撓, 豁免本公司H股持有人就任何可換股債券轉換及行使任何可換股債券轉換權將發行的任何新A股的優先認購權(如有);」

承董事會命
黃東風
公司秘書

中國江西省, 二零零四年十月十二日

附註:

- 凡有權出席上述大會及在會上投票的股東均有權委託一位或多位代理人代其出席大會及在會上投票, 受委任代理人須為本公司股東。
- 代理人應任職及(倘代理人委任職務由他人根據授權書或其他授權文件代表委任人委任, 經公認人簽署或親筆簽署或授權文件副本), 應備於大會舉行時間前24小時前送交本公司(地址為: 中國江西省貴州市市金大埔十五號本公司H股股份總登記處華聯證券登記有限公司, 地址為: 廣東省珠海市香洲大道185號合和中心46樓), 方為有效。
- 股東或其代理人出席大會時須出示本人身份證明文件。
- 本公司將於二零零四年十月二十六日(星期二)至二零零四年十一月二十六日(包括首尾兩天)暫停辦理過戶登記。
- 於二零零四年十一月二十六日(星期二)已經登記在本公司股東名冊上的股東有權出席上述大會及於會上投票。
- 有權出席大會的股東, 須填妥出席大會的表格於二零零四年十一月五日(星期五)或前日之中午前寄交本公司的法定地址中華人民共和國江西省貴州市市金大埔十五號, 以便可以入帳, 郵寄有關文件(圖文傳真號碼為(86) 701-3377101)方式交回。
- 預期H股類別股東大會將持續少於半天, 出席H股類別股東大會的本公司股東或代理人須負責其本身的交通及住宿費用。

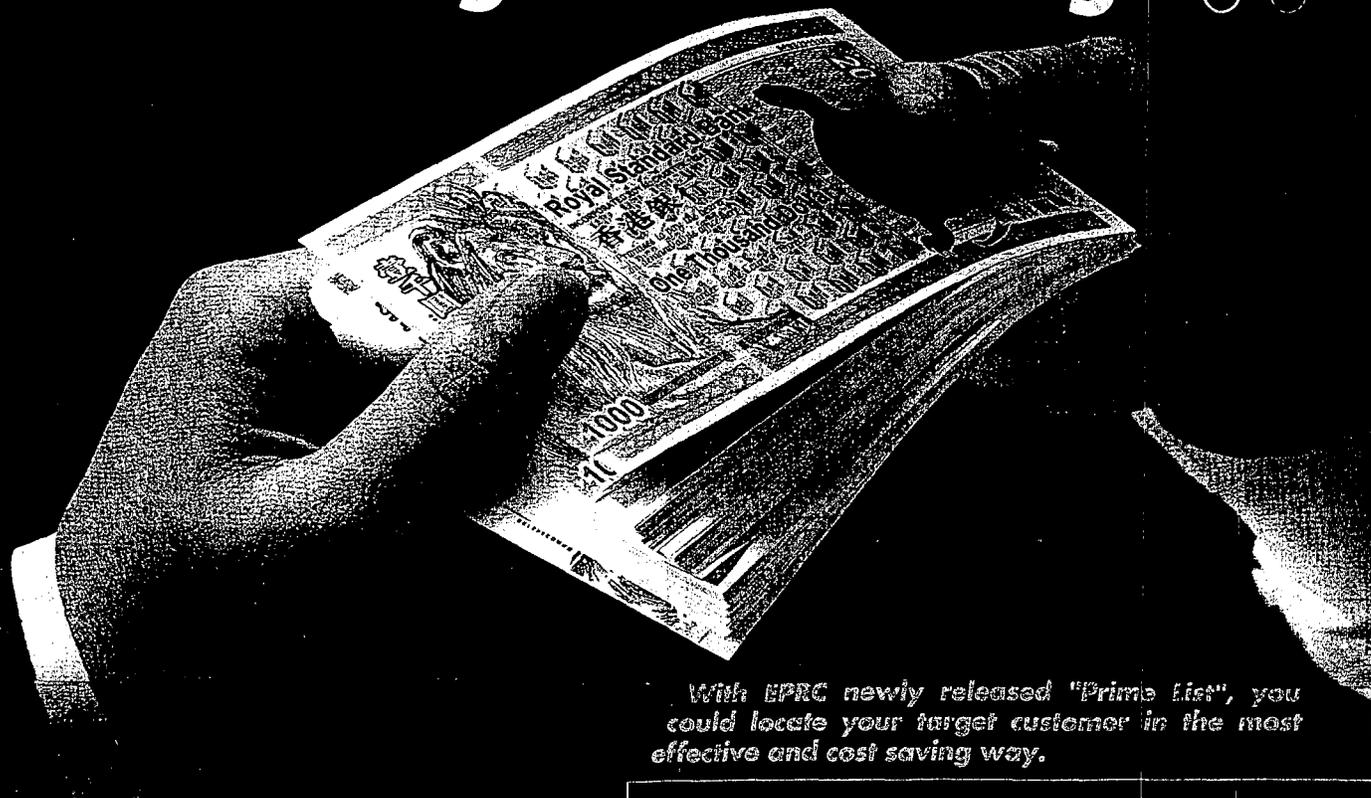
於本公告日期, 本公司的執行董事為何昂明先生、成儀英女士、李敏熾先生、杜新民先生、王泰剛先生、高建民先生、梁偉先生, 以及本公司獨立非執行董事為張義先生、史忠良先生、劉新源先生、尹鴻山先生。

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CHINAGAS 中國燃氣
CHINA GAS HOLDINGS LIMITED
中國燃氣控股有限公司
 (於香港註冊成立之有限公司)
 (股份代號: 384)

向兩位董事授予授權
 及更新配發及發行股份之一般授權
 於二零零四年十一月二十二日
 舉行之股東特別大會之結果

董事會欣然宣佈，股東特別大會已於二零零四年十一月二十二日舉行，而有關批准更新一般授權及向兩位董事授予授權之議案決議案，已按決議案正式正式通過。

此項決議案本公司已於二零零四年十一月二十二日舉行之股東特別大會上獲得通過。本公司於二零零四年十一月二十二日舉行之股東特別大會上，向兩位董事授予授權，以配發及發行股份之總額，為本公司於二零零四年十一月二十二日舉行之股東特別大會前，已發行股本之百分之十。

此外，本公司亦已於二零零四年十一月二十二日舉行之股東特別大會上，向兩位董事授予授權，以配發及發行股份之總額，為本公司於二零零四年十一月二十二日舉行之股東特別大會前，已發行股本之百分之十。

董事會欣然宣佈，股東特別大會已於二零零四年十一月二十二日舉行，而有關批准更新一般授權及向兩位董事授予授權之議案決議案，已按決議案正式正式通過。

此項決議案本公司已於二零零四年十一月二十二日舉行之股東特別大會上獲得通過。本公司於二零零四年十一月二十二日舉行之股東特別大會上，向兩位董事授予授權，以配發及發行股份之總額，為本公司於二零零四年十一月二十二日舉行之股東特別大會前，已發行股本之百分之十。

CHINAGAS 中國燃氣
CHINA GAS HOLDINGS LIMITED
中國燃氣控股有限公司
 (於香港註冊成立之有限公司)
 (股份代號: 384)

股東特別大會通告

本公司謹定於二零零四年十一月二十二日(星期三)上午十時正假座香港灣仔道131號康翠閣中心16樓舉行股東特別大會(「股東特別大會」)，以考慮及批准以下決議案(不論有否修訂)(請以決議案正式正式通過)。

1. 動議向董事會授予授權，以配發及發行股份之總額，為本公司於二零零四年十一月二十二日舉行之股東特別大會前，已發行股本之百分之十。

2. 動議向董事會授予授權，以配發及發行股份之總額，為本公司於二零零四年十一月二十二日舉行之股東特別大會前，已發行股本之百分之十。

凡有關於股東特別大會上之決議案，均可委任一名或多名受委託代表其出席及投票(須受委託代表之委託書，由委託人簽署或蓋章，並由委託人或其受委託代表，親身或委託受委託代表，負責將該項委託書送交本公司秘書處，以作核實及登記之用)。

本公司秘書處地址：香港灣仔道131號康翠閣中心16樓。

永恩國際集團有限公司
PRIME SUCCESS INTERNATIONAL GROUP LIMITED
 (於香港註冊成立之有限公司)
 (股份代號: 21)

主席及執行董事聯任
 委任執行董事通告

永恩國際集團有限公司(「本公司」)董事會(「董事會」)謹此宣佈，於二零零四年十一月二十二日舉行之股東特別大會上，委任陳文龍先生為本公司主席及執行董事，並委任陳文龍先生為本公司副主席及執行董事。

陳文龍先生，1962年開始創業，創辦永恩國際集團有限公司，為本公司現任之執行董事。陳先生於2003年開始加入本公司，負責管理集團之市場推廣及品牌管理。陳先生於2003年開始加入本公司，負責管理集團之市場推廣及品牌管理。

陳文龍先生，1962年開始創業，創辦永恩國際集團有限公司，為本公司現任之執行董事。陳先生於2003年開始加入本公司，負責管理集團之市場推廣及品牌管理。陳先生於2003年開始加入本公司，負責管理集團之市場推廣及品牌管理。

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創科實業有限公司
創科實業有限公司
 (於香港註冊成立之有限公司)
 (股份代號: 669)

股東特別大會通告

本公司謹定於二零零四年十一月二十二日(星期三)上午十時正假座香港灣仔道131號康翠閣中心16樓舉行股東特別大會(「股東特別大會」)，以考慮及批准以下決議案(不論有否修訂)(請以決議案正式正式通過)。

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CENTURY LEGEND (HOLDINGS) LIMITED
世紀建築(集團)有限公司
 (於香港註冊成立之有限公司)
 (股份代號: 0079)

公佈

世紀建築(集團)有限公司(「本公司」)董事會(「董事會」)謹此宣佈，於二零零四年十一月二十二日舉行之股東特別大會上，委任陳文龍先生為本公司主席及執行董事，並委任陳文龍先生為本公司副主席及執行董事。

陳文龍先生，1962年開始創業，創辦世紀建築(集團)有限公司，為本公司現任之執行董事。陳先生於2003年開始加入本公司，負責管理集團之市場推廣及品牌管理。陳先生於2003年開始加入本公司，負責管理集團之市場推廣及品牌管理。

編目行政人員「商務英語」科目

週一至五刊於《經濟日報》



Xinyi seeks \$800m to fund expansion

By boosting investment in downstream manufacturing, the windshield glass firm hopes to reduce production costs 13pc

LISTINGS

Hui Yuk-min and Nichole Chan
The mainland's largest windshield glass exporter, Xinyi Glass Holdings, aims to raise \$600 million from a flotation on the Hong Kong main board to fund plans to expand downstream manufacturing. On top of the \$250 million it invested last year to build its first float-glass plant in Humen of Dongguan, the Hong Kong com-

pany budgeted to invest a further \$400 million this year in the new business.
"Float glass is the main raw material for our products. We can largely reduce our cost of material purchase as well as packaging and transport costs if we produce the float glass ourselves," Xinyi chief executive Gerry Tung Ching-sai said.
Xinyi has begun to market its initial public offering this week and

expects book building to take place on January 19 to 27. It will launch the retail offering on January 22 to 24, with the shares due to be listed on February 3.
Kingsway Financial Services Group is the sole sponsor for Xinyi's Hong Kong listing.
Mr Tung said the company's aggressive expansion sought to meet surging overseas demand, especially from carmakers and windshield glass makers that were in-

creasingly outsourcing glass products from the mainland.
Xinyi paid \$2,400 per tonne for the 120,000 tonnes of float glass it bought last year. The company estimates savings of \$800 a tonne by making the float glass itself.
Float glass accounts for about 33 per cent of Xinyi's production costs. The savings through vertical integration translate into a reduction in production costs of about 13 per cent. In 2003, Xinyi's turnover grew more than 30 per cent to more than \$800 million, with a net profit of between \$170 million and \$180 million.
Mr Tung said Xinyi had been

maintaining a net profit margin of more than 20 per cent in the past three years and expects the high margin trend to continue.
The company expects the 350,000-tonne float-glass plant to be in production in the first quarter of next year at the latest. It forecast about two-thirds of the float glass would be consumed domestically and the remainder sold overseas.
Xinyi invested about \$300 million last year to build factories and expand existing ones in its upstream glass plants in Shenzhen, Wuhu of Anhui and Humen, allowing the company to increase windshield glass production capacity by

50 per cent and double its construction-glass output capacity.
Xinyi claimed it was the second-largest windshield glass manufacturer in the mainland, with a 36.2 per cent share of the export market.
Its key competitor in the country is Shanghai-listed Ashare Fuyao Group Glass Industries.
Taiwan's electronics component maker Hon Hai Precision Industry also aims to list its telecommunications gear unit Foxconn International Holdings on the Hong Kong main board next month.
Foxconn has hired Goldman Sachs and UBS as its listing sponsors.

Market warms to BOCHK outsider

APPOINTMENTS

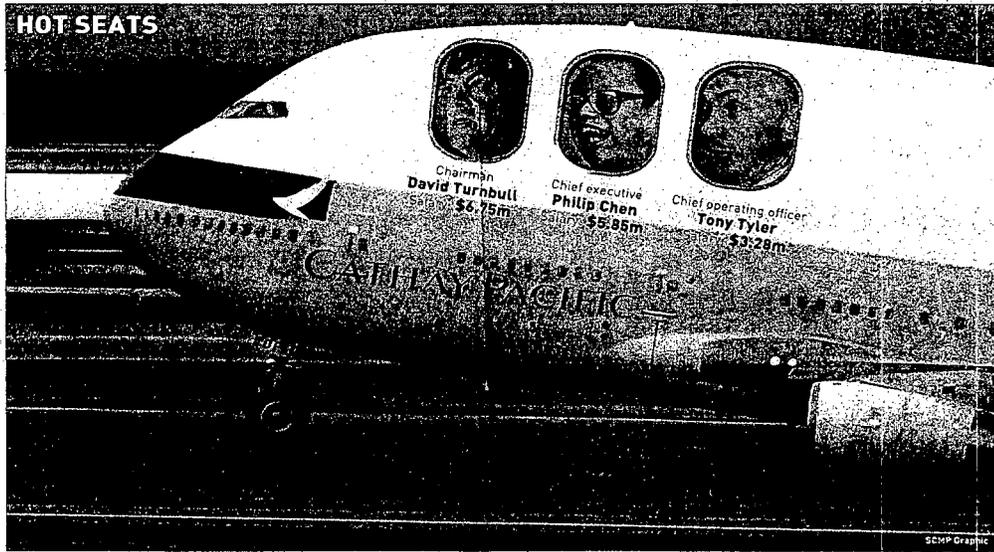
Bai Hu and Nichole Chan
The appointment by BOCHK Hong Kong (Holdings) of an experienced outsider as its chief risk officer was welcomed by analysts yesterday as a sign of corporate governance improvement after several scandals over the past two years.
Although questions linger as to whether one person can change the bank's corporate culture, the market is pinning its hope on the new executive taking a firm stance against reckless lending.
Hong Kong's second-largest lender announced on Saturday that 43-year-old Alex Cheung Yau-shing would become deputy chief executive and chief risk officer.

The market responded to the appointment of the former assistant general manager and chief credit officer of Hang Seng Bank by pushing BOCHK stock price up 0.67 per cent yesterday.
"I think investors need to see whether BOCHK is really committed to changing its corporate culture," CLSA banking analyst Dominic Chan Chi-ming said. "So the message to the market will be powerful in the sense that BOCHK is willing to bring in new people."
BOCHK launched a high-profile global recruitment exercise to allay investor concern about its corporate governance after three of its four deputy chief executives left in disgrace in the past two years.
The appointment was especially closely watched as senior BOCHK officials overrode the objection of a former chief officer to the granting of a \$2.1 billion credit line on questionable security to now-imprisoned mainland property tycoon Chau Chung-nga.
The scandal forced the retirement of Or Mah-ah, then deputy chief executive responsible for corporate banking.
Mr Cheung joined Hang Seng in 1995 as head of its audit division and became senior manager and chief credit officer in 1997 before being promoted to assistant general manager six years ago.
In his new job, he will provide much-needed counterbalance to 42-year-old Gao Yingxin, a former head of corporate banking of BOCHK parent Bank of China and now BOCHK deputy chief executive overseeing corporate banking.
"Mr Cheung is not related to Beijing," another analyst said. "Given his experience and seniority, I would be very surprised if he would have a big compromise on this job, risking his own reputation in the market."
Since Mr Cheung and Mr Gao will have the same job grade, it remains to be seen who will have the final say over any controversial loan request.

Firms line up for KCRC project

PROPERTY

Peggy Sit and Ernest Kong
Developers have shown initial interest in Kowloon-Canton Railway Corp's 1.81 million square foot residential project in Wu Kai Sha, which is up for tender this quarter.
Cheung Kong (Holdings), New World Development, Wharf (Holdings) and K Wah International said they intended to bid for the project to enlarge their property portfolios.
Cheung Kong executive director Justin Chiu Kwok-hung said: "I expect the project will be very popular among land-hungry developers."
Developers said they would bid aggressively as the project would be an important source of land supply this year.
Wharf assistant director Ricky Wong Kwong-yiu said: "It is believed that developers will face obstacles to successfully applying for land sites on the application list, with our offers failing to meet the government's target prices."
"As a result, there will be a small number of public sites offered for auction this year."
Under the application list system, a developer proposes a price to the Lands Department and undertakes to offer that amount. If the government's target price is met, the parcel is brought to tender or auction.
Mr Wong said the government had no intention to cut its reserve price despite repeated calls from developers.
"Not only the Wu Kai Sha development, other property projects owned by the two rail firms - KCRC and MTR Corp - will be developers' focus this year," he said.
KCRC yesterday placed an advertisement on English and Chinese newspapers, inviting expressions of interest in the residential development at Wu Kai Sha Station on the newly commissioned Ma On Shan railway line.
The project will provide 2,528 flats with a floor area of 1.81 million sq ft, along with 43,000 sq ft of retail space.
Property agents estimated investment costs at about \$7 billion, based on an accommodation value of \$2,700 per square foot.
New World Development sales and marketing director Barbara Ho Ng Yin-yue is optimistic about the development at the Wu Kai Sha Station despite its relatively remote location.
"Tseung Kwan O used to be a pretty remote area, but as it has rail access, which is followed by improved facilities, the district now turns out to have good potential for residential development," Ms Ho said.



Cathay to pay its top three executives \$16m

REMUNERATION

Joseph Lo
Cathay Pacific Airways' top three executives will receive a total of almost \$16 million in salaries and allowances this year, the company revealed yesterday.
The disclosure, which was made on the stock exchange website, also announced the promotions of David Turnbull from chief executive to chairman, Philip Chen Nan-ick

from chief operating officer to chief executive and Tony Tyler from director of corporate development to chief operating officer.
Mr Turnbull also takes over the chair of Cathay's controlling shareholder, from James Hughes-Hallett, who returns to London to chair John Swire & Sons, which controls the international arms of the properties-to-transport conglomerate.
The annual salary of Mr

Turnbull, along with allowances, amounted to about \$6.75 million, the disclosure said. Mr Chen will receive \$5.85 million and Mr Tyler \$3.28 million.
Mr Chen is also entitled to discretionary bonuses and other benefits, while Mr Turnbull and Mr Tyler receive housing allowances.
As a result of the bonuses, the trio can probably expect a much higher compensation than their salaries would indicate.

In 2003, after Cathay announced a \$3 billion net profit, it paid its top three executives between \$7 million and \$11 million each.
The salaries disclosed in the highest-paid individuals in the airline was made to conform to a new stock exchange requirement designed to enhance the transparency of locally listed companies.
In the past, the stock exchange required companies list the number

of individuals falling into a range of salaries only.
Mr Chen is the first Chinese to be appointed head of Cathay in the airline's 59-year history.
All three executives are 43 years old and joined Swire group in the late 1970s.
Mr Turnbull was also appointed as a non-executive director of Hongkong and Shanghai Banking Corp yesterday, replacing Mr Hughes-Hallett.

Merton priced at aggressive levels

PROPERTY

Ernest Kong
New World Development is maintaining an aggressive pricing strategy for its Kennedy Town development, Merton, citing a lack of comparable new properties in Western district.
Sales and marketing director Barbara Ho Ng Yin-yue said the asking price for upper-floor units, which could be bought in pairs and joined together, would be more than \$8,000 per square foot.
A comparable project is nearby Manhattan Heights in New Praya. Prices for second-hand seaview flats at the seven-year-old, 60-storey building are between \$5,500 and \$6,000 per square foot, property agents estimate.
"The Merton will start selling as early as this Friday," said Ms Ho, who would not comment on the project's average selling price.
Analysts said the sales launch for the development had been delayed from a tentative November schedule because of poor sentiment.
Centaline Property Agency and Midland Realty said demand for the Merton was steady, with hundreds of potential buyers putting down a \$60,000 refundable deposit.
"However, Centaline director Terrence Tong Ping-ching said the

market response had been relatively slow compared with projects launched last year.
"It is natural that flat-seekers have grown more cautious after the big jump in home prices seen in 2004," Mr Tong said.
He expected cheaper units in the project to move at less than \$5,000 per square foot.
Midland director Jeffrey Ng Ching-yip said the developer was taking offers from buyers looking to take entire floors.
"Bulk purchasers are offering to buy units on mid-height floors at \$5,000 to \$6,000 per square foot," Mr Ng said. "The developer is still considering the offers."



Techtronic Industries Co., Ltd.
(Incorporated in Hong Kong with limited liability)
(Stock Code: 669)

RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 3RD JANUARY 2005 IN RELATION TO THE MAJOR TRANSACTION

Reference was made to the circular of the Company dated 23rd November 2004 (the "Circular") regarding the proposed acquisition agreement, dated 28th August 2004, entered between Atlas Copco AB, Atlas Copco North America Inc. and Atlas Copco Holding GmbH, as sellers and the Company, Hyodo Technologies GmbH and Techtronic Industries North America Inc. as purchasers the "Stock Purchase Agreement" and all other transactions contemplated therein and all other agreements ancillary thereto, and are hereby confirmed and approved and any director of the Company, as directed by the board of directors of the Company, be and is hereby authorized to execute all such documents and to do all such acts, matters and things as he may in his sole discretion consider necessary or desirable on behalf of the Company for the purpose of or in connection with the Stock Purchase Agreement or the transaction contemplated therein."

As all votes were cast in favour of this ordinary resolution, this ordinary resolution was passed unanimously.

As at the date of the EGM, the issued share capital of the Company comprised 1,352,304,652 Shares, which was the total number of shares entitling the holders to attend and vote for or against the resolution proposed at the EGM. None of these 1,352,304,652 Shares were shares entitling the holder to attend and vote only against the resolution proposed at the EGM.

Deloitte Touche Tomatsu acted as scrutineers for the poll at the EGM.

CLOSING
As the resolution was approved by the Shareholders, the principal conditions to which the Stock Purchase Agreement is subject, as disclosed in the Circular, have been fulfilled. Accordingly, closing of the Transaction is expected to take place on 3rd January 2005 or as promptly as practicable thereafter but not later than 31st January 2005.

GENERAL
As at the date of this announcement, the Board comprises four Group Executive Directors, namely Mr. Horst Julius Pudwill (Chairman and Chief Executive Officer), Mr. Roy Chi Ping Chung (Managing Director), Mr. Patrick Kin Wan Chan and Mr. Frank Chi Chung Chan, two Non-Executive Directors, namely Dr. Aulo Usakami and Mr. Vincent Ting Kau Cheung and three Independent Non-Executive Directors, namely Mr. Christopher Patrick Langley, Mr. Joel Armar Schleicher and Mr. Mantelid Kulimann.

By Order of the Board
Techtronic Industries Company Limited
Chi Chung Chan
Company Secretary

Hong Kong, 3rd January 2005

BUSINESS DIGEST

THOMSON IN TALKS WITH IRICO OVER TUBE VENTURE
France's Thomson, which is seeking partners for its cathode ray tube business, could soon announce a deal with the mainland's state-owned Irico Group Corp. French paper *Les Echos* said yesterday.
A joint-venture deal would allow the two partners to combine market shares and cut production costs in a business hit by strong competition and price pressure, the paper said.
Thomson declined to comment and Irico could not be reached for comment. However, a source familiar with the situation said Thomson had approached Irico a few months ago and was rebuffed due to unfavourable terms.
"It's positive for the stock that there are contacts with sector players," continuing newflow on the sale of the tube is positive," CMC-Cl Securities analyst Quentin Philippe said.
Irico is the mainland's biggest

and the world's fifth-largest maker of colour picture tubes and a deal with Thomson would give it the No 3 spot.
The Xian-based firm, which supplies tubes to mainland television makers such as Konka Group, TCL International Holdings and Skyworth Digital Holdings, has a 7.4 per cent share of the global colour picture tube market.
Thomson has already put its low-margin television production into a venture with TCL, and recently signed a co-operation agreement with Konka in television components, also taking an 8 per cent stake in the firm.
Restaurants
SA SA RECORDS SALES SURGE DURING CHRISTMAS HOLIDAY
Sa Sa International Holdings said sales surged in the four days over Christmas, boosted by an influx of mainland shoppers.
Sales climbed 25 per cent for December 24 to 27 from the same

period a year ago, spokeswoman Macy Leung said.
Sales grew 20 per cent between December 1 and 27 from a year earlier, she said.
Hong Kong had 19.7 million visitors in the first 11 months of last year, up 43.5 per cent from 2003, the Hong Kong Tourism Board said. More than 50 per cent of the visitors to Hong Kong are from the mainland.
Sa Sa's mainland customers spent an average \$850 per transaction during the four-day period, up about 11 per cent from a year ago, boosted by the wider use of yuan credit cards, Ms Leung said.
Mainland tourists accounted for about 40 per cent of Sa Sa's sales in the second half of last year. *Bloomberg*

PROFIT FORECAST TO GROW 20PC AT FUBON BANKING ARM
Fubon Financial Holding, Taiwan's third-largest financial-services company, has forecast net income at its banking arm may rise 20 per cent this year after the takeover of rival Taipei Bank took effect a few days ago.
Fubon Financial agreed to pay NT\$8.3 billion (\$19.62 billion) in new shares to take over Taipei Bank, a lender controlled by the city government, in August 2002.
Standard & Poor's Ratings Services yesterday affirmed its BBB+ long-term rating on the renamed Taipei Fubon Commercial Bank.
Operating costs at the bank were expected to be reduced by NT\$2 billion a year, the bank said.
Taiwan has about 50 banks serving a population of 23 million. It aims to shrink the number of financial holding companies to seven in two years, with each of the top three controlling at least 10 per cent of the market. *Bloomberg*

Brokers fear a wind from the north could put their earnings on ice

When it comes to money, Hong Kong stockbrokers are a tough lot. Last week's cold snap was no deterrent as they joined the angry thousands in the New Year's day march to protest against the political bungling of the Link Reit listing.

And as if losing some fat commissions from the Link Reit was not enough to get them hot under the collar, now they are on edge over a possible flood of competition from the mainland.

The Hong Kong Securities Institute, which is offering examinations and courses for brokers and other financial professionals, has announced it is accepting stockbrokers and futures licence holders from the mainland for enrolment from December 28 to March 7 in the



White COLLAR
Enoch Yiu

"licensing examination for securities and futures intermediaries (paper 1)". Under the Closer Economic Partnership Arrangement framework introduced in January last year, Hong Kong and mainland stock and futures brokers who passed a basic examination paper will be able to work in each other's markets. Hong Kong professionals have

already taken the mainland Securities Regulation Examination in March last year, so the upcoming April 23 test in Shenzhen is the reciprocal arrangement for mainland professionals.

Those who pass the April examination and satisfy other Securities and Futures Commission requirements will be eligible to apply for licences as stock brokers, futures traders and fund managers in Hong Kong.

"It is our hope that the examination will encourage talent in the mainland and Hong Kong to learn from each other and exchange expertise, helping a solid foundation for assimilation

In global financial markets," securities institute chief executive Gary Cheung Wai-kwok said. Exchange of ideas can be valuable but White Collar fears that many Hong Kong brokers are having restless nights worrying about their mainland rivals.

WISING UP ON WEALTH
And it's not only brokers who are facing competition from mainland counterparts. These days, banks sell securities and insurance companies sell fund products. It is therefore little wonder brokers are queuing up for the wealth-management course offered by the Hong Kong Securities Institute to enhance their job prospects. Enrolments have increased 80 per cent over last year.

With Bank of China recruiting 100 wealth-management advisers this year and many insurance companies hiring financial advisers, it's hardly surprising the brokers are dragging out school bags and pencil cases again.

LIGHTS, CAMERA, LEGEND
In accounting circles, White Collar hears that Hong Kong Institute of Certified Public Accountants president Edward Chow Kwong-fai has a new project - film making. Mr Chow is not lining up in front of the cameras but he has

promised to help the grandson of the legendary Lu Xun promote the film about the thinker and writer whose works are considered revolutionary in the cultural movement of China in the 1920s and 1930s. The film, to begin production this month for an October release, is part of a series of programmes commemorating the 70th anniversary of his death. Other proposed projects include an exhibition to be held in Hong Kong and the making of a TV documentary.

Mr Chow is already a fan of Lu Xun. A portrait of the legendary man hangs in his office. It's unclear whether Mr Chow will offer free tickets for the movie to other council members of the accounting body.

FESTIVE FROCKS CONTINUE

Happy New Year and the parties continue!

Hong Kong Exchanges and Clearing will host a New Year media lunch party on Friday. Next Monday, Secretary for Financial Services and the Treasury Frederick Ma Si-hang is preparing whole roasted lamb for the media to celebrate the start of a New Year. Maybe roast chicken is also on offer as Year of the Rooster looms next month. The Securities and Futures Commission does not want to overdo it.

White Collar heard it may throw a bash during the Lunar New Year instead. Maybe reporters should be on diet from now on. enoch.yiu@scmp.com

Securities houses seek idle reit funds

Firms roll out alternatives after legal uncertainties cut investors off from new property instrument

INVESTMENTS

Nearly a month has passed since the Link Reit listing was derailed. While retail banks have been trying to assist funds originally set aside by investors to buy the assets, securities houses are now making a late charge into the fray. Five structured products were launched yesterday by KBC Asset Management, Lehman Brothers, BOCI Asia and HSBC in bids to tap the stagnant funds. Polly Wong, an executive director at BOCI's equity derivatives division, which launched the seventh Flexbond series, said her company's latest product could appeal to investors as a reit "alternative". "The design of our product is very similar to the reit in that they provide investors with a stream of potential returns," Ms Wong said.

But she refused to link the timing of the product launch to the reit fiasco, insisting the company had long expected a surging demand in derivative and structured products in the new year. "I'm not saying that we are launching this product because of what happened to Link Reit. But nonetheless we do expect investors interested in the reit to be attracted by our product as well."

Joining BOCI in riding on previously successful products are Leh-



BOCI Securities executive director Polly Wong denies that the New Year release of the company's Flexbond had been timed to take advantage of the Link Reit collapse. Photo: Ricky Chung

man, which launched new tranches in their on-going minbond, and HSBC, which announced a new equity-linked note series and a capital guaranteed fund. Christopher Lee, the chief executive at Sun Hung Kai Fund Management, the main distributor for the Lehman minbond, said the series was aimed at investors who

"did not like to deal with stock-market volatility." "There is still a great demand in the minbond market as you can easily compare it to an interest-generating tool, just like the reit," Mr Lee said. He also said that compared with government-launched financial instruments, the future market for

minbonds was larger as they would not be restricted to the government's financial need. He said other investment tools that might pose more competition for minbonds were yuan bonds, though not in the short term. At the moment domestic retail investors' only access to yuan-based financial instruments was through institu-

tions with qualified foreign institutional investors and so far there had been little talk about when Beijing would relax the rules. Besides the nearly \$1.5 billion sitting in the banking system's aggregate balances, there were many signs that both Hong Kong and overseas investors had seen the yuan's appreciation potential.

Hong Kong Monetary Authority figures show yuan deposits with domestic banks stood at 8.43 billion yuan at the end of October last year. "I can see Hong Kong acting as the 'bridge' connecting the international financial market and the mainland financial market before the latter becomes fully opened," Mr Lee said.

Worker unrest outbreak takes HK employer by surprise

Industrialists believe troubling gangs foment protests in bid to extort money from factory owners, Toh Han Shih finds

At 8:30am on October 6, Bernard Au-yang Pak-hong received an unexpected phone call from a colleague in Shenzhen. Mr Au-yang, chief executive of Hong Kong electronics firm Computime, was told that as many as 300 workers had massed outside a Shenzhen electronics factory that processes export orders for his company.

Under the companies' processing trade agreement, Computime was responsible for booking orders, importing equipment and raw materials, and trade finance. Its Shenzhen partner, Melzhi Haiyan Electronics, handled day-to-day operations. As the crowd swelled and spilled over onto a nearby traffic artery, local officials began to take notice.

"The police asked my vice-president to talk to the workers on the highway," said Mr Au-yang, who arrived on the scene at about noon. For Mr Au-yang, this emergency indoctrination in crisis manage-

ment was both an education in the risks involved in outsourcing manufacturing operations and in the increasingly sophisticated organising techniques of mainland labour activists. "I have had no control over your pay and am unaware of any details," he told the workers later that day. "From now on, I will be directly involved."

After the showdown in Shenzhen, Mr Au-yang had an interview with the South China Morning Post. "Under the old arrangement, I gave a lump sum to the Chinese partner who paid the workers," he said. "Now I know exactly how much the workers got paid and I audit their pay."

According to Computime, workers should have been paid the minimum wage of 610 yuan, a month plus overtime. Workers, however, said the Shenzhen outsourcing operation paid them as little as 250 yuan a month.

"Nobody was dismissed, as I promised the workers," Mr Au-yang said. Computime had reimbursed the workers for underpayment. "They all came back to work. We have hired 200 to 300 additional workers since October."

The Institute of Contemporary Observation (ICO), a Shenzhen-based non-governmental organisation, audited the factory and confirmed that some workers took home below the minimum wage of 610 yuan prior to the incident, but have since been paid according to the law. ICO executive director Liu Kaimeing said.

"The workers' grievances were legitimate but Mr Au-yang believes outsiders were involved. "My observation is there may be people out to profit from the unrest. I cannot confirm a conspiracy, but I have my suspicions." Five of seven people arrested by the police in connection with the incident were not from the factory,



Demonstrations tend to alarm public officials, who do not want to see any negative publicity about areas under their control. Photo: AFP

which had more than 3,000 workers at the time, said Una Au-yang Yuen-lam, Computime executive director and Mr Au-yang's sister. "The two workers have been released and have since returned to work in the factory. "There were a dozen or so people there who were not wearing the factory uniforms," she said.

"bargaining power." Officials would be anxious to calm things down, fearing negative publicity. Li Qiang, executive director of China Labour Watch, a United States-based labour NGO, dismissed the notion that criminals were to blame.

The recent labour unrest in southern China was internally generated, sparked by frustrations among workers over inadequate pay and long overtime shifts, Mr Li said, based on his research on unrest in five factories in Shenzhen, Dongguan and Guangzhou last year, including the Melzhi factory. "At the Melzhi strike, the five outsiders arrested were not organisers but bystanders who encouraged the workers," said Mr Li.

"The workers at the Melzhi factory told me they didn't recognise the people who were arrested," he said. Prior to the incident, Melzhi workers had filed many times to draw attention to their grievances, including many futile efforts to inform local labour departments, according to Mr Li. han.shih.toh@scmp.com

CAO's hopes hinge on Temasek for bailout

RESTRUCTURING

Singapore's Temasek Holdings remains the sole party in restructuring talks with China Aviation Oil (Singapore) Corp (CAO) as the failed oil trader seeks a bailout from more than US\$500 million of losses from trading derivatives, must come up with a rescue plan by January 21.

"We have not received any proposals from any Chinese entities to participate in the restructuring," CAO spokesman Gerald Wood said yesterday.

In terms of potential white knights, CAO was talking only to Singapore's state investment agency, Mr Wood said. The oil trader's mainland creditor banks had made no offer to write off its debt and recapitalize the Singapore-listed firm, he said.

A Chinese-led consortium of six mainland banks led by Industrial and Commercial Bank of China planned to write off US\$120 million of CAO's debt before injecting the firm with fresh funds. The same report also said that Air China, the mainland's biggest airline, could take a stake in CAO's Beijing parent as part of the central government's restructuring plan. Under the proposed restructuring, discussed so far, Temasek and CAO's Beijing parent would each pump US\$50 million into the company.

CAO's collapse, Singapore's worst trading scandal since Nick Leeson triggered the ruin of Barings Bank almost a decade ago, is being investigated by Singapore's white collar-crime unit and the Monetary Authority of Singapore.

Record prices for coal seen

POWER

Mainland power producers expect to pay record coal prices for a second year as the expanding economy stokes demand for the fuel.

Soaring consumption and a shortage of rail carriages to transport coal would increase prices by at least 10 per cent from last year's levels, said Fan Weizang, president of the China National Coal Association, and Xu Qiej, an official at Shanghai Electric Power. "We believe prices in 2005 will show further increases on top of last year's level," Mr Xu said. The conditions that led to higher prices still exist.

Rising coal prices threaten to extend profit declines at companies such as Shanghai Electric, which supplies a third of the electricity consumed in China's commercial capital, and Huansheng Power International, the Hong Kong-listed unit of China's largest generator.

China's coal demand would rise 7.4 per cent this year to 2.04 billion tonnes, exceeding the nation's total supply of less than two billion tonnes, China Securities Journal reported on December 30. Demand reached 1.9 billion tonnes last year, of which 960 million tonnes was used to generate electricity, the journal said. Demand for coal, which supplies 67 per cent of China's power needs, suggests the economy grew 9.5 per cent in the first nine months of last year.

THE THAI-ASIA FUND LIMITED
Unaudited net asset value per share of The Thai-Asia Fund Limited as at December 31, 2004 was US\$0.3649

INVESCO
INVESCO ASIA LIMITED
As at the date of this announcement, the executive director of The Thai-Asia Fund Limited (the "Company") are Messrs. Andrew Lo Tak Shing, Chubbokhoon Oatapha, Dominic Kwok Chi Kwong and Pichai Akrawin, and the independent non-executive directors of the Company are: Toh Han Shih, Wang Ching Hing, Wong Kwong Sang and Thomas Ng Tung Ming.

THE THAI ASSET FUND LIMITED
Unaudited net asset value per share of The Thai Asset Fund Limited as at December 31, 2004 was US\$3.46

INVESCO
INVESCO ASIA LIMITED
As at the date of this announcement, the executive directors of The Thai Asset Fund Limited (the "Company") are Messrs. Andrew Lo Tak Shing, Dominic Kwok Chi Kwong and Pichai Akrawin, and the independent non-executive directors of the Company are: Toh Han Shih, Wang Ching Hing, Wong Kwong Sang and Thomas Ng Tung Ming.

Labour shortage fails to deter Luen Thai

EMPLOYMENT

Luen Thai Holdings is confident it can hire the thousands of workers it needs to meet the burgeoning global demand for mainland textiles, despite a worsening labour shortage in the Pearl River Delta.

Hong Kong manufacturers employ an estimated 10 million workers in the Pearl River Delta, nearly all of them from inland provinces. Guangdong province has a labour shortage of about two million workers as more migrants find employment at home or in competing in-

dustrial regions such as Shanghai and the Yangtze River Delta. Nonetheless, Hong Kong's largest listed garment manufacturer had managed to hire 2,000 workers in the past four months and it planned to recruit a further 3,000 this year, senior vice-president Frank Saucedo said.

Rather than waiting for workers to find it, Dongguan factory and apply for work, Luen Thai hires workers directly from vocational schools in inland provinces. The company's chief executive Henry Tan likens the process to aquaculture.

"Some people catch fish in the ocean, but I create fish farms," Mr Tan said. "I culture them, so I can move them out as I need." While most young workers might object to being equated with domesticated fish, they are certainly happy to have found reliable jobs.

Luen Thai supports five schools in the inland provinces of Guangdong, Henan and Hunan and the city of Chongqing. The company agrees to hire a number of graduates from these schools in exchange for training and material support. "It's not practical to bring in

hundreds of employees and train them on the spot," he said. Other manufacturers are looking outside the mainland for expansion after failing to attract sufficient labour in the Pearl River Delta. For example, Hong Kong-listed shoemaker Kingmaker Footwear Holdings is expanding in Vietnam.

Mr Tan believes the labour shortage often affects companies that fail to accord their workers a modicum of dignity. "If you treat them right, pay them right, house them right, they don't leave," he said. "We've got to win their hearts."

IN BRIEF

ING SELLS BARING ASSET TO US GROUPS AMID SHAKE-UP

London: ING Group, the largest Dutch financial services company, has agreed to sell Baring Asset Management to two United States buyers as part of plans to focus on its insurance business in Europe and Asia and on Internet banking. Northern Trust will purchase Baring Asset Management's financial services group for \$260 million (\$3.7 billion), ING spokeswoman Dorothy Hillenius said.

MassMutual Financial Group would purchase the unit's investment activities. *Bloomberg*

ORDERS FOR CHIP-MAKING EQUIPMENT CONTINUE SLIDE

Tokyo: A gauging of semiconductor industry health that measures new orders against sales fell to 0.91 for Japanese chip-making equipment last month, falling below parity of one for the second consecutive month. The October book-to-bill ratio means that for every 100 yen of products shipped, new orders worth 91 yen were received. The Semiconductor Equipment Association of Japan said yesterday. *Reuters*

PULITZER REVIEWING SALE TO BOOST SHAREHOLDER VALUE

St. Louis: Newspaper publisher Pulitzer said that company officials were considering a possible sale of the firm to boost shareholder value. The company said that no decisions had been made and no agreements had been reached. Pulitzer said it had retained Goldman Sachs as a financial adviser to assist in its review. Decisions rest largely with members of the Pulitzer family who own almost all of the controlling stock. *AP*

DAIMLER CHIEF'S MERCEDES STOLEN BY 'RUSSIAN MAFIA'

Stuttgart, Germany: DaimlerChrysler chief executive officer Jürgen Schrempp had his \$600 Mercedes-Benz armoured limousine stolen while it was parked on a street in Stuttgart. The black company car, worth about \$800,000 (\$8.1 million), disappeared on the night of October 28. The car was probably stolen by the "Russian mafia," *Bild-Zeitung* said yesterday. *Bloomberg*

SOCIETE GENERALE TO BUY STAKE IN GERMAN BANK

Paris: Societe Generale agreed to buy a 75 per cent stake in HansaBank for \$190 million (\$1.92 billion) to expand its consumer-credit business in Germany. HansaBank's owner, German mail-order retailer Otto, will retain 25 per cent. Chairman Daniel Bouton is trying to counter swings in investment-banking earnings by expanding SG's consumer lending. *Bloomberg*

Lenders achieve bad-loan targets

BANKING

Reuters in Tokyo

Two of Japan's biggest banks, Mizuho Financial Group and Sumitomo Mitsui Financial Group (SMFG), said yesterday they had put their bad-loan troubles behind them, although both booked lower profits for the first half.

Big banks' languishing on life support (just two years ago, have recovered, thanks to Japan's economic upswing and efforts to clear years of accumulated debt. But profitability remains a problem as lenders struggle to cut their reliance on low-yielding corporate loans. Core operating profits fell at Mizuho, Japan's biggest bank with more than US\$1 trillion in assets, and No. 3 SMFG's core bank unit. Mizuho posted a first-half group net profit of \$23.3 billion yen (\$17.6 billion), better than it had expected but down 8.4 per cent from a year before.

SMFG said first-half group net profit fell 62 per cent from a year earlier to \$3.4 billion yen. Both lenders have now cleared a government target for big banks to cut bad loans to half their 2002 levels, or less than 5 per cent of all lending, by March next year.

Mizuho said bad loans fell to 2.22 trillion yen, or 1.4 per cent of all lending, from 3.19 trillion yen, or 4.4 per cent, at the end of March. It said it expected to cut its bad-loan ratio to less than 3 per cent by the end of this business year.

SMFG said bad loans fell to 2.48 trillion yen, or 4.4 per cent of its total lending, down from 2.81 trillion yen, or 5.3 per cent, at the end of March. It said it expected its bad loans to fall to less than two trillion yen by the end of March next year.

Xstrata's bid for WMC turns hostile

Swiss coal giant seeks to expand metal output by taking over Australian miner

TAKEOVERS

Bloomberg in Sydney

Xstrata, the world's biggest exporter of coal for power plants, will make a hostile \$37.4 billion (\$45.0 billion) cash offer for WMC Resources to expand metals output after failing to agree on a takeover.

Xstrata will offer A\$6.35 a share directly to investors in WMC, the world's fifth-largest nickel producer, after WMC's board rejected the same bid on October 28, Switzerland's Xstrata said yesterday.

Buying WMC would make Xstrata the world's sixth-largest copper producer and add nickel mines to its assets as demand from China, the world's biggest copper user, causes prices to soar. A formal offer may trigger rival bids from competitors such as BHP Billiton and Rio Tinto Group, analysts said.

BT Financial Group fund manager Tim Barker said WMC's assets "are world-class." "It fits in all the potential sectors very easily. It comes down to whether they see strategic value in it."

Jupiter Asset Management fund manager Anthony Nutt said: "I wouldn't be nervous if they bought WMC at this price. They think they can add value and I'd agree with that."

The A\$6.35-a-share bid undervalued the company. WMC Resources chief executive Andrew Michelson said yesterday during a visit to the company's Olympic Dam copper and uranium mine in South Australia. Xstrata chief executive Mick Davis "has to come up with a lack

improvement", Mr Michelson said. "Shareholders had backed the offer in rejecting the A\$6.35 offer. A number of major shareholders I spoke to said they thought that was reinforced by the share price in the market."

GМК Norilsk Nickel, China Minerals Corp, BHP Billiton, Rio Tinto, Vale do Rio Doce, Phelps Dodge, Inco, Anglo American and Falconbridge had all been named as potential rivals to Xstrata, the *West Australian* said. Norilsk said it had no plans to bid.

Xstrata will next week lodge offer documents with WMC and the Australian Securities and Investments Commission. The bid will be mailed to WMC shareholders two weeks later.

"This is an opportunity for the board to give independent value to shareholders so they can properly judge our offer," Mr Davis said during conference call. "This offer reflects the value of the company - we have no intention of increasing the price, but we reserve the right."

BHP Billiton, Xstrata and other mining firms are expanding metal production, betting that rising demand in China will be sustained.

Nickel prices have climbed 13 per cent in the past year because of rising production of the metal in steel. Copper has surged 54 per cent.

Buying WMC would give Xstrata the company's nickel mines in Western Australia, the Corridor Sands uranium minerals project in Mozambique, a fertilizer plant and Olympic Dam. Xstrata last year bought the Mt Isa copper mine in Australia through its US\$2.3 billion acquisition of MIM Holdings.

Olympic Dam had been dogged by faults and shortfalls, Mr Davis said. WMC has said an expansion of the mine may cost more than A\$4 billion and triple the project's sales.

Trump gloats as Branson's show takes a TV ratings hiding



ENTERTAINMENT

The New York Times

In the sport of public gloating, Donald Trump has always been a competitor for the Hall of Fame; so it is no surprise that he would take immense glee in the ratings travails of a would-be television rival, Sir Richard Branson.

The two were bound to butt heads once Sir Richard, the British billionaire, the Rebel Billionaire, and a host of other Virgin products, started his own reality series, aimed at emulating Mr Trump's success on NBC's *The Contender*.

They had been friendly acquaintances, sometimes dining together. But just before Sir Richard's series Fox, *The Rebel Billionaire*, came on the schedule, the tone changed.

In a telephone interview, Mr Trump said, "All of a sudden, he's saying, 'I'm a piece of garbage that won't shake hands with people.'"

Mr Trump does, in fact, try to avoid handshaking for fear of picking up illnesses, but he said he recognized it as a social necessity and he did shake hands regularly.

A spokeswoman for Sir Richard said he had only noted in interviews he did not agree with all of Mr Trump's business strategies.

Mr Trump was further offended when Sir Richard included in his series a caricature of him made up like Mr Trump. "It was some little guy who weighs 400 pounds like me," Mr Trump said. "I'm six foot three (1.91m)."

That had Mr Trump hoping Sir Richard's series would fall into trouble - a wish quickly fulfilled. *The Rebel Billionaire* has thus far posted 60-like ratings (5.4 million viewers last week against 15.8 million for *The Apprentice*).

Once he saw the ratings, Mr Trump pounced, firing off a letter to Sir Richard: "Now that I have watched your show, I wish you came to me and asked my advice. I would have told you not to bother. You have no television persona."

Later, he cited Sir Richard's "disrespectful" and suggested his rival return his attention to his airline, which he said needed help as "it's a terrible business." He ended with: "Do not use me to promote your rapidly sinking show."

Sir Richard replied with his own letter saying he had avoided making nasty remarks and that he had enjoyed his relationship with Mr Trump. "I have read what I believe can be construed as 'nasty' comments from you about myself in the press over the last couple of weeks and - although tempted - have to date decided not to respond to them and to rise above them."

He concluded: "Perhaps you could rest assured that I have said to date and decide whether it's worth us remaining as friends."

In a telephone interview, Mr Trump called Sir Richard's response "very conciliatory." But he had one last point to make.

"I hope he wasn't so conciliatory only because of his ratings," Mr Trump said.

Donald's casino business files for bankruptcy

BANKRUPTCIES

Reuters in Philadelphia

Donald Trump's casino operations have filed for bankruptcy in a long-expected move that would allow the real-estate magnate to restructure the company's debt and overhaul its ageing casinos.

Mr Trump, the developer who flaunts his brash business style on *The Apprentice* reality television show, last month clinched a restructuring pact with bondholders that will cut his stake in the firm but preserve his role as chairman and chief executive.

Under the voluntary bankruptcy

filing, Trump Atlantic City Associates, which is 99 per cent owned by Trump Hotels & Casino Resorts, listed US\$1.3 billion in debt and US\$1.5 million in assets.

The filing marks the second bankruptcy for Mr Trump's casino empire. Mr Trump's major casinos in New Jersey - Trump Taj Mahal, Trump Plaza Hotel and Casino and Trump Marina Hotel Casino - have suffered from competition from the Borgata Hotel Casino & Spa, which opened last year.

The Chapter 11 bankruptcy case was filed with the U.S. Bankruptcy Court for the District of New Jersey.

In 1992, Mr Trump's Atlantic City casinos filed for Chapter 11 bankruptcy after buckling under the weight of US\$1 billion in debt. He later regained control of those properties.

Bear Stearns, Bank of New York, JP Morgan Chase and Goldman Sachs are among the largest creditors, according to the bankruptcy filing. These and other bondholders held stakes in first mortgage notes due in 2006, according to the filing.

The restructuring plan forged last month calls for the bondholders to own about two-thirds of the company. Mr Trump's stake would

shrink to about 27 per cent from 56 per cent.

Morgan Stanley agreed to provide a US\$500 million line of credit, which will be used to renovate and upgrade the casinos and push into new markets. Real Bank committed to US\$100 million in interim financing.

The company also owns a riverboat casino in Indiana, called the Trump Casino Hotel, and manages a casino in California owned by Native Americans. It has said it aims to break into new markets.

NOTICE TO THE TRADE

Asia Australia Discussion Agreement

Revised Bunker Surcharge in the China and Hong Kong to Australia Trade

Reflecting recent increases in the price of oil at Hong Kong and South Korea, the member lines of AADA wish to advise that in accordance with the established review procedures, the bunker surcharge level for shipments from China and Hong Kong to ports in Australia is to be adjusted to US\$175 per TEU and US\$350 per FEU for dry and refrigerated containers with effect from 31st December, 2004.

Customers requiring further information concerning the Bunker Surcharge are advised to contact the member lines.

AADA members have adopted voluntary policy guidelines and have reached a non-binding consensus on the above arrangement.

AADA members are:

ANL Container Line
COSCO Container Line
Hambro Bulk (MSC)
Hymiral Merchant Marine
Maurit Sealand
Mitsui O.S. Line (MOL) Ltd
Orient Overseas Container Line (OOCL)
Zim Line
Zim Line
Zim Line

China Shipping Container Line (HK)
Far Eastern Shipping Co. (FESCO)
Hankin Shipping
Kawasaki Kisen Kaisha (K Line)
Kawasaki Kisen Kaisha (NYK Line)
P & O Swire Containers

Dated at Hong Kong, 18th November, 2004

Tsim Sha Tsui Properties Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

Extraordinary General Meeting held on 22 November, 2004 - Poll Results

The Board is pleased to announce that the Resolution proposed at the EGM on 22 November, 2004 was duly passed by the Shareholders by way of poll.

Reference is made to the circular (the "Circular") to the Shareholders of Tsim Sha Tsui Properties Limited dated 5 November 2004. Unless otherwise defined therein, all capitalized terms shall have the same meaning as ascribed thereto in the Circular.

At the EGM held at The Imperial Rooms, Mezzanine Floor, Towers Wing, The Royal Pacific Hotel and Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon on 22 November, 2004, a poll was demanded by the Chairman for voting on the proposed resolution as set out in the Notice of EGM dated 5 November, 2004 (the "Resolution") contained in the Circular.

As at the date of the EGM, the number of Shares in issue were 1,374,992,172 Shares, which were the total number of Shares entitling the Shareholders to attend and vote on the Resolution. There was no restriction on any Shareholders casting votes on the Resolution at the EGM.

The Resolution, the voting of which was taken by a poll, was duly approved by the Shareholders. Friendly Registrars Limited, the Company's share registrars, acted as scrutineers for the vote-taking. The poll results are as follows:

SUMMARY OF RESOLUTION	No. of Votes (%)	
	For	Against
To approve the deemed disposal of interests in Sino Land Company Limited ("Sino Land") upon the conversion of the convertible bonds in an aggregate principal amount of up to HK\$2.3 billion to be issued by Sino Land wholly owned subsidiary Getman Finance Limited ("Getman") pursuant to the Subscription Agreement dated 19 October, 2004 entered into between Sino Land, Getman and J.P. Morgan Securities Ltd. and to authorize the Directors to do such acts as necessary to give effect to the transactions contemplated under the Subscription Agreement.	1,211,998,905 (100%)	0 (0%)

The Ng Family has voted in favour of the Resolution according to their undertaking as disclosed in the Circular. As more than 90% of the votes were cast in favour of the Resolution, the Resolution was duly passed as an ordinary resolution.

As at the date of this announcement, the executive directors of the Company are Mr. Robert Ng, Chee Siang and Mr. Raymond Tong Kwok Tung and the independent non-executive directors are Mr. Ronald Joseph Arellano, Mr. Paul Chung Ming Fun and Dr. Alan Zhang.

For and on behalf of
Tsim Sha Tsui Properties Limited
Robert Ng, Chee Siang
Chairman

Hong Kong, 22 November, 2004.

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Techtronic Industries Co. Ltd.
(Incorporated in Hong Kong with limited liability) (Stock Code: 669)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "Meeting") of Techtronic Industries Company Limited (the "Company") will be held at Harbour Room, 3rd Floor, The Ritz-Carlton, Hong Kong, 3 Connaught Road, Central, Hong Kong on 3rd January 2005 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"THAT the terms of, and the transactions contemplated under, a conditional stock purchase agreement, dated 28th August 2004, entered into between Atlas Copco AB, Atlas Copco North America Inc. and Atlas Copco Holding GmbH, all as sellers and the Company, Ryobi Technologies GmbH and Techtronic Industries North America, Inc. all as purchasers (the "Stock Purchase Agreement") is hereby approved and the Meeting, and marked "A" and initiated by the Chairman of the Meeting for the purpose of identification and other transactions contemplated therein and all other agreements and documents, be they already confirmed and approved and any director of the Company, as directed by the board of directors of the Company, be and is hereby authorized to execute all such documents and to do all such acts, matters and things as he may in his sole discretion consider necessary or desirable in relation to the Company for the purpose of or in connection with the Stock Purchase Agreement contemplated therein.

By Order of the Board
Chi Chung Chan
Company Secretary

Hong Kong, 23rd November 2004

Registered office:
24th Floor
CDW Building
388 Castle Peak Road
Tsim Sha Tsui
New Territories
Hong Kong

1. A form of proxy for use at the Meeting is enclosed herewith.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either executed under its common seal or under the hand of any officer or other person duly authorized to sign the same.

3. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.

4. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed, a notarially certified true copy thereof, must be deposited at the registered office of the Company at 24th Floor, CDW Building, 388 Castle Peak Road, Tsim Sha Tsui, New Territories, Hong Kong not later than 48 hours before the time appointed for holding the Meeting or any adjournment thereof as the case may be.

5. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Meeting or at any adjournment thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

6. Where more than one registered holder of any shares, any one of such persons may vote at the Meeting, either in person or by proxy, in respect of such shares as he/she were solely entitled thereto, but if more than one of such persons is present at the Meeting in person or by proxy, the person whose name stands first in the register of members of the Company, in respect of such shares, shall alone be entitled to vote.

7. As at the date of this notice, the board of directors of the Company consists of the following members: Mr. Robert Ng, Chairman; Mr. Hong Jialin Puiwong (Chairman and Chief Executive Officer), Mr. Roy Chi Ping Chung (Managing Director), Mr. Kim Wah Chan, Mr. Chi Chung Chan and Dr. Alko Ukai, non-executive Director, namely, Mr. Vincent Ting Kau Cheung and three independent non-executive Directors, namely, Mr. José Artur Schneider, Mr. Christopher Patrick Langley and Mr. Manfred Krummen.

Shenzhen A Shares						Shanghai A Shares						Shenzhen B Shares						
Company Name	High	Low	Close	Change	Volume	Company Name	High	Low	Close	Change	Volume	Company Name	High	Low	Close	Change	Volume	
Lan Bao Info	2.88	2.61	2.62	-0.28	4924395	Shengli Daming	5.11	4.98	5.00	-0.06	1157220	Zhenhua (Group)	5.43	5.25	5.27	-0.06	628324	
Langchao Info	8.50	8.30	8.35	-0.05	3776795	Shenzhen Company	4.79	4.40	4.70	-0.08	1024070	Zhong Tong Bus	3.29	3.11	3.12	-0.11	312005	
Lanzhou Tech	6.15	5.85	5.86	-0.24	107300	Shenxin Taieng	3.71	3.45	3.46	-0.21	1005942	Zhongjin Lingnan	6.10	5.90	6.06	0.10	462900	
Lanzhou Huanghe	4.09	3.93	3.97	-0.11	407600	Shenyang Chem	4.56	4.45	4.46	-0.10	732040	Zhongke Sanhuan	6.32	6.10	6.29	0.16	2092427	
Leading Tech	7.70	7.20	7.28	-0.29	236330	Shenyang Machine	6.59	6.06	6.24	-0.27	1301581	Zhonglian Tech	7.65	7.20	7.27	-0.33	1962697	
Liaohu Jinma	7.16	7.03	7.03	-0.06	737870	Shenzhen Agricul	3.78	3.71	3.72	-0.01	2571980	Zhongxing Telecom	27.15	26.10	26.69	-0.06	1597140	
Uaohetongda	5.17	5.05	5.12		548026	Shenzhen Airport	8.85	8.35	8.50	-0.05	1010644	Zhongyuan Petrol	8.20	7.90	7.92	-0.04	1679070	
Ujiaing Int'l	11.65	11.35	11.42	-0.02	315028	Shenzhen Energy	8.18	7.78	7.86	-0.10	1986631	Zhuohai Zhongfu	4.68	4.51	4.54	-0.11	614945	
Little Swan	4.43	4.23	4.35	0.04	1217110	Shenzhen Huaxin	4.59	4.40	4.44	-0.13	499220	ZJ Transfer	11.72	11.52	11.54	-0.01	121365	
Longdi	1.75	1.64	1.72	-0.01	2906022	Shenzhen Kaifa	9.62	9.30	9.34	-0.10	543900	Zong Sewing	8.79	8.60	8.79	0.07	360588	
Longping Hi-Tech	11.05	10.80	10.89	0.01	125426	Shenzhen Kondard	2.42	2.32	2.35	-0.03	177884	Zongshen Impetus	8.05	7.88	8.00	0.04	499140	
Luneng Tailang	3.51	3.39	3.44	0.03	9504383	Shenzhen Seg	5.63	5.47	5.48	-0.02	170036							
Lutai Textile	9.80	9.11	9.58	-0.17	1588780	Shenzhen Tellus	3.54	3.33	3.39	-0.11	1113030							
Lutianhua	5.94	6.82	6.87	0.01	1589440	Shenzhen Textile	7.22	7.01	7.20	0.04	96700							
Luxi Chemical	5.39	5.28	5.36	0.05	188688	Shenzhen Tongse	5.95	5.87	5.87	-0.06	152350							
Macat Optics	2.96	2.83	2.84	-0.10	545900	Shenzhen Zhenye	4.20	4.11	4.13		25420							
Maoming Shipua	8.66	8.58	8.66	-0.03	141000	ShiJiazhuang Pet	3.04	2.96	2.97	-0.07	542200							
Melli Paper	6.68	6.43	6.46	-0.23	201200	Shuangshun Tech	3.10	3.06	3.07	-0.02	5517336							
Midea Electric	7.49	7.06	7.17	-0.03	2152835	Shuangshui Fed	12.45	12.25	12.42	0.07	393800							
Mindong Electric	3.28	3.18	3.22	-0.02	777958	Shuanxin Agricul	5.35	5.25	5.27	-0.05	364900							
Mingxin P&C	4.73	4.60	4.61	-0.02	8746665	Sichuan Chemical	4.45	4.35	4.40	-0.01	417996							
Minsheng Gas	7.14	6.51	6.96	0.46	4297936	Sichuan Hushan	3.88	3.72	3.72	-0.20	271000							
Mouli & Plastic	3.51	3.40	3.45		722348	Sichuan Melfeng	10.81	10.59	10.77	0.01	450059							
Nafine Chemical	7.14	6.80	6.85	-0.10	121248	Sichuan Shuangma	3.03	2.92	2.93	0.01	313011							
Nanfeng Motor	2.80	2.60	2.65	-0.12	841315	Sichuan Sofra	4.39	4.31	4.35	0.03	227000							
Nanjing Zhongbei	3.49	3.28	3.29	-0.14	941813	Sihuan Pharma	6.80	6.61	6.65	-0.10	48500							
Nan-Ning Sugar	8.49	8.10	8.39	0.15	1000602	Siyuan Electric	24.83	24.00	24.50	0.49	493636							
Nantian Info	7.00	6.68	6.75	-0.16	138537	Sz Pharm	18.38	18.00	18.20	0.05	96300							
Neptunus Bioeng	4.70	4.56	4.57	-0.06	380563	Sz Pharm	10.31	10.18	10.29	0.04	346665							
New Hope Agribus	6.03	5.92	5.92	-0.05	336273	South Hulton	7.30	6.95	6.95	-0.27	8708566							
New Material	4.21	4.10	4.11	-0.05	377100	Southern Bldg	4.95	4.72	4.78	-0.08	1070748							
Newland Computer	11.47	11.21	11.38	0.17	883112	Southwest Pharm	4.40	4.26	4.28	-0.12	130306							
Ningbo Yak Tech	7.60	7.33	7.38	0.15	318584	Soyea Technology	6.18	5.91	5.97	-0.10	178400							
Norinco Int'l	5.53	5.38	5.40	-0.06	77436	Space Appliance	19.30	18.24	18.29	-0.11	1494570							
Nw Yongxin Chem	3.75	3.60	3.61	-0.07	198000	Sz Edgewell	5.50	5.20	5.23	-0.04	93700							
Orient Tantalum	7.72	7.32	7.37	-0.29	1135157	Star High Tech	18.53	18.45	18.50		165800							
Panzhihua Steel	5.50	5.43	5.45	-0.02	2104416	Stone Hi-Tech	2.12	2.06	2.11	0.05	8297137							
Pasture Kingfa	4.65	4.25	4.45	0.04	2662379	Sunfield S&S Tech	46.48	45.52	46.20	0.68	401304							
Powertech Tech	7.06	6.80	6.83	-0.12	14118850	Sunling Appliance	46.48	45.52	46.20	0.68	401304							
Public Utilities	4.23	4.09	4.10	-0.09	328900	Sunrise Hold	1.55	1.50	1.51	0.04	378800							
Qianjiang Motor	3.72	3.57	3.70	0.06	844778	Super Shine	7.11	6.63	6.74	-0.27	908799							
Qinchuan Dev	4.73	4.60	4.61	-0.02	365201	Supor Cookware	9.88	9.76	9.84	0.04	158300							
Qingdao Apelta	5.29	4.95	5.24	0.21	764021	Sz Bao Heng	7.36	7.19	7.23	-0.01	1532800							
Qinghai Galena	3.78	3.56	3.60	-0.14	475559	Sz Bao Feng	3.52	3.42	3.43	-0.07	1172342							
Qinghai Potash	8.65	8.36	8.57	0.17	2142880	Sz Baon Eng	8.88	8.72	8.73	-0.08	70527							
Resources Jinhua	4.06	3.90	3.92	-0.12	228800	Sz Capstone	6.88	6.72	6.73	-0.08	70527							
Ruyi Group	12.20	12.03	12.13	0.05	60100	Sz Ch Bicycles	5.40	5.20	5.23	-0.07	75400							
Sanjiu Biopharm	5.00	4.41	4.92	0.02	749812	Sz Changcheng	5.40	5.20	5.23	-0.07	75400							
Sanjiu Medical	3.97	3.70	3.76	-0.13	2417189	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Sanmao Ind	8.08	7.93	8.01	0.06	451600	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Sanmu Group	8.71	8.64	8.68		98020	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Science City	3.73	3.50	3.59		615540	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Sig Information	6.19	5.84	5.88	-0.28	492900	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Sig Resources	4.72	4.52	4.60	-0.09	1796680	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Sig Dasheng	3.49	3.34	3.38	-0.33	992652	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Sig Samsung	8.55	8.09	8.48	0.30	6379000	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Sig Sepulchres	1.20	0.86	0.90	0.16	217500	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Sig Sogshang	7.52	7.38	7.38	-0.04	2222713	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shane Industry	5.70	5.55	5.61		138400	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shanda Huatai	4.12	3.85	3.91	-0.17	405584	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shandong Hailun	7.65	7.35	7.52	0.14	32800	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shandong Hualu	4.45	4.15	4.37	0.14	943945	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shandong Jidi	3.00	2.85	2.87	-0.12	378864	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shandong Weida	8.53	8.30	8.30	-0.10	350300	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shandong Xinhua	4.35	4.17	4.17	-0.15	147906	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shangfeng Ind	4.64	4.22	4.39	-0.24	291490	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shanhuo Ind	3.51	3.33	3.37	-0.09	232900	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shantui Constr	3.29	3.20	3.21	-0.04	1244229	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shanxi Jiye	5.09	4.93	4.98	-0.05	333224	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shanxi Sanwei	4.65	4.50	4.61	0.09	284800	Sz Changsheng	6.56	6.28	6.59	0.01	327143							
Shaogeng	5.58	5.60	5.60	-0.02	319700	Sz Changsheng	6.56	6.28	6.59	0.01	327143</							

Company Name	High	Low	Close	Change	Volume	Company Name	High	Low	Close	Change	Volume	Company Name	High	Low	Close	Change	Volume	Company Name	High	Low	Close	Change	Volume
Data Systems	20.00	19.10	20.00	0.70	94	Hwang Chang	12.35	11.80	12.20	-0.50	3033	Pan Overseas	3.99	3.95	3.99	-0.01	147	Taiwan Seccom	39.00	38.50	38.90	0.30	469
De'Lucy Ind	7.75	7.60	7.75	0.10	1065	I.B. Taipei	25.50	24.90	25.30	0.30	8344	Pan Overseas Ele	7.70	8.20	8.55	0.20	1927	Taiwan Semiconductor	51.50	50.50	50.50	-	37882
Delta Elect Ind	6.40	5.90	6.15	-0.05	9380	Ichia	47.10	45.80	47.10	1.00	2357	Pao Liao	5.95	5.80	5.95	0.35	1727	Taiwan Tea Corp	6.65	6.10	6.65	0.40	21494
Delta Elect Ind	56.00	54.00	56.00	2.00	8822	i-Chium	12.60	11.70	12.00	0.15	207	Pao Shiang	0.08	0.08	0.08	-0.01	14093	Taiwan-Sok Sk	17.50	17.20	17.30	-0.10	748
Depo Auto	105.00	101.50	105.00	3.00	782	Top Elec	30.40	29.70	30.20	-	383	Phonlog Tech	11.00	10.30	11.00	-0.05	11063	Taroko Tech	12.60	12.30	12.55	0.40	30801
Der Pao Constr	10.80	10.30	10.40	-0.40	9944	i-Hwa Ind	2.40	2.30	2.30	-0.11	247	Phoenix Preciso	19.00	18.50	18.70	0.10	2304	Tatung Co Ltd	12.60	12.30	12.55	0.40	30801
Ding	15.70	15.10	15.50	0.30	208	Info	7.65	7.45	7.50	-0.15	253	Phoenix Power	38.30	37.00	38.30	1.30	1282	Teapo	8.70	8.50	8.65	0.15	1332
Ding Ing Tech	2.50	2.50	2.50	-0.09	10	Infodisc Tech	1.75	1.66	1.66	-0.07	3684	Phoenix Elect	6.70	6.55	6.60	-0.05	2465	Teco Electric Co	10.50	10.30	10.30	-0.10	9369
D-Link Corp	37.00	36.20	37.00	0.80	3344	Infotrend	69.00	68.00	68.00	-	690	Pinsiang	63.50	62.60	63.00	0.50	1461	Teco Tech	15.90	15.40	15.90	0.50	3521
E-Sun Fnc	25.50	25.00	25.40	0.30	16777	Inventec Corp	16.20	15.15	16.20	0.20	2452	Petrans Elec	4.00	3.80	3.91	0.11	759	Ten Ren Tea	20.00	19.80	20.00	-	64
Eastern Asia Tec	10.70	10.55	10.70	-	56	i-Sheng Electric	25.90	25.30	25.40	-0.20	191	Pow Chen Ind	28.50	28.00	28.20	0.20	4314	Test Rite Int'l	22.00	21.90	21.90	-	633
Ecot Textile	17.40	17.10	17.30	-	98	Jiang Yuann	26.30	25.20	25.90	-1.10	10989	Powcom	43.50	42.10	42.70	0.60	5591	Tex-Ray	12.25	12.05	12.20	-0.05	207
Elan Microelec	17.90	17.60	17.90	0.20	1071	Jen	8.50	7.90	8.50	0.30	776	Precision	13.40	13.00	13.35	0.10	37	TfM Insurance	19.40	18.80	18.80	0.10	7160
E-Lead Elec	15.30	15.20	15.30	0.10	40	Jean Feng	40.20	37.60	40.20	2.60	219	Premier Image	31.30	29.60	31.30	1.60	5409	Top	99.00	97.00	99.00	1.00	1707
Elite Mat	11.05	10.75	10.90	-0.10	1949	Ji-Hua Indu	22.40	22.00	22.00	-0.10	1754	Premier Microelec	4.09	4.00	4.06	-0.03	117	The Chinese Bk	7.15	6.85	7.05	0.25	9191
Elitegroup Comp	21.80	20.60	21.80	1.40	17655	Ju Li	10.15	10.00	10.10	-0.10	959	President China	51.50	50.50	51.00	0.50	1338	Thinking Etr	18.10	17.80	18.10	0.20	103
Enlight	7.70	7.45	7.50	-	6579	Jung Shing Wire	12.00	11.85	11.90	-0.10	27	Prime Eltrs	7.35	7.20	7.25	-0.05	2547	Times Ming Ind	34.70	33.80	34.20	0.30	3568
Entire Bank	11.50	11.15	11.45	0.30	4330	K Laser	19.30	18.90	19.10	0.30	170	Prism Optical	4.26	4.16	4.20	0.01	12	Tidehold Devi	6.65	6.45	6.65	0.40	4056
Epistar	39.90	39.20	39.90	0.60	1806	K.S. Terminals	28.10	28.00	28.10	-	163	Prince Housing	9.50	9.30	9.45	-	3992	Tky	28.90	28.30	28.50	0.20	103
Esmt	73.00	71.50	72.50	1.00	4125	Kang Na Hsiung	14.95	14.65	14.70	-0.10	866	Printed Wire	0.57	0.57	0.57	-0.04	16	Tk Indu	7.90	7.75	7.90	0.05	372
Et Internet Tech	16.80	16.40	16.60	-0.20	13139	Kao Hsing Chang	16.60	15.90	16.00	-1.00	18320	Prodisc	13.30	13.00	13.30	0.20	3858	Ton Yin Ind	9.55	9.45	9.50	-	3416
Eten Info	15.70	15.50	15.70	0.20	598	Kaulin Mfg	31.60	31.10	31.20	-0.10	118	Promate	34.80	34.30	34.50	-0.10	184	Tonlin Dept	31.00	30.00	31.00	1.00	2
Eternal	21.90	21.40	21.70	0.30	2894	Kb	9.75	9.70	9.75	-	19	Protol Innotech	23.10	22.60	22.80	-0.30	1107	Transcend Info	69.00	67.50	69.00	-	1214
Eva Airways	15.60	15.30	15.60	0.10	7340	Kedge Cont	8.65	8.40	8.55	-0.05	173	Quanta	57.00	54.50	57.00	2.00	12802	Triod Text	7.50	7.35	7.50	0.10	606
Evergreen Int'l	15.40	14.95	15.20	-	8361	Kea Tai Property	7.90	7.65	7.80	-0.10	2132	Quanta Display	18.80	18.50	18.70	0.10	38100	Tsann Kuen Enter	45.70	44.10	45.70	1.40	1047
Evergreen Marine	32.50	31.20	32.10	-0.40	3761	Kenda Rubber	26.10	25.70	25.80	-0.10	867	Radium Life Tech	32.80	31.80	32.60	-0.20	5497	Tsl	7.75	7.65	7.65	-0.05	318
Everlight	33.30	32.50	33.30	0.50	9068	Kian Shen	25.70	25.50	25.70	0.10	49	Ralec Etr	12.95	12.75	12.95	0.10	673	Tsn	4.23	4.11	4.11	-0.14	18
Everlight Cham	12.45	12.30	12.45	0.10	995	Kian Hwa Constr	11.20	11.20	11.20	-0.10	4134	Realtek	35.20	34.40	35.00	0.20	4259	Tsnc	13.90	13.60	13.75	-	3403
Everspang Indu	7.60	7.50	7.60	0.05	307	King Yuan Elec	21.90	21.40	21.60	-0.10	11777	Repton	5.40	5.20	5.30	-0.05	1357	Tric Union	17.90	17.40	17.90	0.40	136
Evertex	4.53	4.51	4.53	-0.17	2	King's Town	65.50	63.50	64.00	-0.50	2455	Reward Wool Ind	6.40	6.15	6.35	0.05	369	Tung Ho Spinning	6.30	6.05	6.30	0.15	627
Evertex Wire	12.10	11.90	12.05	0.10	656	Kipco	13.90	13.70	13.85	0.05	2538	Rexon Indu	11.30	11.15	11.30	0.05	969	Tung Ho Steel	26.20	25.20	25.90	-1.00	2329
Excel Cell	17.40	17.20	17.30	0.10	149	Kobin	12.60	12.60	12.50	-0.20	3	Richtek	67.00	65.00	67.00	1.50	255	Turbocomp	0.58	0.52	0.58	0.03	389
Eplance	4.16	4.16	4.16	-0.31	524	Koln	7.65	7.50	7.60	0.10	8041	Right Way Ind	7.15	6.75	7.05	0.35	492	Turbochem Pr A	27.20	27.20	27.20	-0.20	1
Falcon Cycle	6.55	6.45	6.50	-	269	Kot Industries						Ruotech	13.55	13.35	13.55	0.05	123	Twin Bk Bank	7.25	7.05	7.05	-	1113
Far East Dept	18.30	17.90	18.20	-	12331	Kung Lung	17.50	17.30	17.50	0.20	27	Ruentex C&D	7.55	7.35	7.40	-0.10	8324	Twn Cement	13.00	12.30	12.80	0.55	164893
Far Eastern Text	25.50	24.80	25.50	0.30	29318	Kuo Yang Constr	14.40	14.05	14.20	-0.10	1696	Sakura Develop	10.90	10.50	10.70	-0.10	30	Twn Cement	21.10	20.80	20.90	-0.10	9669
Faraday Tech	55.50	52.00	55.50	2.50	2879	Kwong Fong Ind	5.10	4.92	5.00	-0.05	5545	Sampo Corp	7.35	7.20	7.20	-0.10	3628	Twn Dev & Trust	3.18	3.04	3.08	0.10	566
Farcent	9.90	9.55	9.75	0.25	1032	Ky Systems	23.50	22.60	23.50	0.80	1262	San Fang Chem	23.30	22.90	23.10	0.10	1215	Twn Fertilizer	34.90	34.20	34.70	0.20	7016
Farmers Bank	11.70	11.15	11.60	0.50	73479	Largan Precision	177.00	173.00	177.00	2.00	348	Sanyang Industry	14.10	13.85	13.90	-	7430	Twn Fluorescent	11.85	11.50	11.80	-	2643
Feb	20.40	20.00	20.30	0.30	23660	Lead Data	5.40	5.30	5.35	0.05	2152	Sanyo Elec	17.70	17.20	17.70	0.50	330	Twn Glass Ind	30.20	29.60	30.00	-	2355
Feng Hsin Iron	40.60	38.60	39.60	-1.60	11054	Leadtek	18.00	17.60	17.80	-0.20	1530	Scpc	18.60	18.20	18.30	-0.20	642	Twn Plug & Paper	11.20	10.85	11.20	0.20	5351
Feng Tay Entorse	35.30	35.20	35.20	-0.10	63	Lee Chang Yang C	14.95	14.80	14.90	-	1302	Sid Corp	14.60	14.45	14.60	0.20	363	Tyc	16.80	16.70	17.00	0.10	799
Fic Global	5.45	5.25	5.30	-0.10	1137	Lee Chi	12.50	12.20	12.45	0.05	1139	Senao	12.30	11.90	11.95	-0.15	481	Tyc Brother Ind	30.70	30.20	30.70	0.50	188
First Fnc	27.30	25.80	27.20	0.30	58632	Lelei Dvlpmt Co	11.55	11.10	11.55	0.45	713	Sesoda	8.25	8.10	8.15	-	224	Tycoons	10.90	10.25	10.45	-0.50	13260
First Hotel	19.80	19.10	19.70	0.70	1269	Leopold Ind	16.70	15.80	16.70	1.00	29230	Shen-Long Trans	15.80	15.40	15.50	-0.10	93	Tyntek	11.75	11.50	11.75	0.20	445
First Inst	22.80	22.20	22.40	0.60	12852	Les Enphants	15.30	14.95	14.95	-0.15	541	Sheng Yu Steel	43.30	41.30	43.10	-1.00	6219	Uni Office Sys	0.85	0.85	0.85	-	35
First Steamship	9.05	8.75	8.80	-0.20	2404	Li Shin	13.25	13.15	13.25	0.10	255	Sheng Wei	39.40	37.90	39.40	0.30	6665	Ulead Sys	23.90	23.50	23.50	-0.10	683
Formosa	20.30	20.20	20.20	-0.10	464	Lian Hwa	9.85	9.75	9.75	-0.05	233	Shin-Hsin Electric	24.40	23.50	24.40	1.00	11438	Umec	11.70	11.45	11.70	0.15	202
Formosa Oilseed	5.30	5.10	5.20	-	366	Lien Chuan Etr	10.80	10.70	10.80	0.10	52	Shin-Hsin Paper	27.80	26.70	26.80	-0.20	3981	U-Ming Marine	53.90	51.			



Techtronic Industries Co. Ltd.
(Incorporated in Hong Kong with limited liability)
(Stock Code : 669)

RE-DESIGNATION OF DIRECTOR

The board of directors (the "Board") of Techtronic Industries Company Limited (the "Company") is pleased to announce that Dr. Akio Urakami ("Dr. Urakami"), previously an Executive Director of the Company, has been re-designated as a Non-executive Director of the Company with effect from 31st December, 2004.

Dr. Urakami, aged 62, was appointed as Executive Director of the Company in 2001. Dr. Urakami holds a Ph.D degree in Material Science from Northwestern University. During the three years preceding the date of this announcement, Dr. Urakami had not held any directorship in any other listed companies in Hong Kong.

As at the date of this announcement, Dr. Urakami had personal interests of 1,300,000 shares of HK\$0.10 each in the share capital of the Company (the "Shares") and had personal interests in the share option to subscribe for 300,000 Shares. Such interests are required to be notified to The Stock Exchange of Hong Kong Limited pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed herein, Dr. Urakami does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Dr. Urakami. He is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. He is entitled to receive a director's fee and the amount of which will be determined by the Board with reference to the contribution made by Dr. Urakami and the prevailing market condition.

Save as disclosed herein, there are no other matters which need to be brought to the attention of the shareholders of the Company.

As at the date of this announcement, the Board comprises four Group Executive Directors, namely, Mr. Horst Julius Fudwili (Chairman and Chief Executive Officer), Mr. Roy Chi Ping Chung (Managing Director), Mr. Patrick Kin Wah Chan and Mr. Frank Chi Chung Chan, two non-executive Directors, namely, Dr. Akio Urakami and Mr. Vincent Ting Kau Cheung and three independent non-executive Directors, namely, Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley and Mr. Manfred Kuhlmann.

By Order of the Board of
Techtronic Industries Company Limited
Chi Chung Chan
Company Secretary

Hong Kong, 31st December 2004



TCC INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Cayman Islands with limited liability)
(Stock Code: 1136)

RESIGNATION OF NON-EXECUTIVE DIRECTORS

The Board of Directors (the "Board") of TCC International Holdings Limited (the "Company") announces that, due to retirement, Mr. Chiang Cheng Hsiung and Mr. Chen Chi Hsiung have resigned as Non-executive Directors of the Company with effect from 1 January 2005. The Board would like to take this opportunity to thank Mr. Chiang and Mr. Chen for their invaluable contribution to the Company during his service with the Company.

The Board is not aware of any other matters relating to the resignation of Mr. Chiang and Mr. Chen that need to be brought to the attention of the shareholders of the Company.

By order of the Board
Ha Ying Kei
Company Secretary

Hong Kong, 3 January 2005

As at the date of this announcement, the Board of Directors of the Company is comprised of Mr. Koo Cheng Yun, Leslie as Chairman; Mr. Wu Yih Chin as Managing Director; Mr. Hui-Bon-Hoa, Khien Piau, Pierre as Non-executive Directors; Mr. Liao Poon Hual, Donald and Dr. Shan Weijian and Mr. David Kuohsien Chung as Independent Non-executive Directors.

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Haier CCT
HAIER-CCT HOLDINGS LIMITED

(海爾中建集團有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1169)

**POSSIBLE ASSET INJECTION BY THE HAIER GROUP
INVOLVING AN ACQUISITION OF THE WASHING
MACHINE BUSINESS AND PROPOSED EXERCISE OF THE CALL OPTION**

**VERY SUBSTANTIAL ACQUISITION
REVERSE TAKEOVER AND CONNECTED TRANSACTION
INVOLVING A NEW LISTING APPLICATION AND
AN APPLICATION FOR THE GRANTING OF THE WHITEWASH WAIVER**

EXTENSION OF LONG STOP DATE

Reference is made to the Announcement, the announcements of the Company dated 30 June 2004 and 31 August 2004 and the circular of the Company dated 18 November 2004. The Long Stop Date as set out in the Asset Injection Agreement has been further extended to 7 February 2005 (or such later date as all parties to the Asset Injection Agreement may agree in writing).

Reference is made to the Announcement and the circular of the Company dated 18 November 2004 (the "Circular") regarding the proposed Asset Injection involving, inter alia, very substantial acquisition, reverse takeover, connected transaction, new listing application and the Whitewash Waiver and the announcements of the Company dated 30 June 2004 and 31 August 2004. Unless defined otherwise, terms defined in the Circular have the same meanings when used in this announcement.

As provided in the Asset Injection Agreement, in the event that any of the conditions (the "Conditions Precedent") for completion of the Asset Injection Agreement shall not have been fulfilled or waived on or before 30 June 2004 (or such later date as all parties may have agreed in writing) (the "Long Stop Date"), the Company shall not be bound to proceed with the Asset Injection Agreement and the Asset Injection Agreement shall cease to be of any effect. The Long Stop Date had been extended to 31 August 2004 on 30 June 2004 and was further extended to 31 December 2004 on 31 August 2004. As of the date of this announcement, whilst the resolutions approving the Asset Injection have been passed at the special general meeting held on 13 December 2004, some of the Conditions Precedent have not been fulfilled or waived and all parties to the Asset Injection Agreement are working closely together to get the outstanding Conditions Precedent fulfilled.

The outstanding Conditions Precedent include, among others (i) the granting of the approval from the Listing Committee of the Stock Exchange of the new listing application by the Company; (ii) the granting of the listing-of, and permission to deal in, the WM Consideration Shares and the Conversion Shares; and (iii) the obtaining of the approval from Qingdao COFTEC in relation to the conversion of Pegasus Qingdao from a Sino-foreign joint venture company into a wholly foreign owned enterprise. It is expected that all such outstanding Conditions Precedent will be fulfilled at a time close to or upon Completion. In addition, Completion is also subject to (a) completion of the placing of Shares for the purpose of maintaining the minimum 25% public float immediately following Completion in compliance with the Listing Rules; and (b) the obtaining of the approval from MOFCOM in respect of the final structure of the WM Sales Company. It is expected that the placing will be carried out in January 2005 and the approval from MOFCOM will also be obtained in January 2005.

The Board wishes to announce that Haier Corp, Haier Investment and the Company have agreed on 30 December 2004 to further extend the Long Stop Date to 7 February 2005 (or such later date as all parties to the Asset Injection Agreement may agree in writing) and that save for the time extension, other terms in the Asset Injection Agreement shall remain unchanged. In this connection, the last date on which the joint announcement relating to Completion is to be made will be extended to 8 February 2005 (or such later date as the Board may consider appropriate).

The Directors have confirmed that there has been no material change in the information contained in the Circular since the date of the Circular.

As at the date of this announcement, the Directors are:

Executive Directors: Mak Shiu Tong, Clement, Wu Ke Song, Chai Yong Sen, Liang Hai Shan, Tam Ngai Hung, Terry, Cui Shao Hua and Man Wei Dong
Independent non-executive Directors: Lam Kin Kau, Mark, Fung Hoi Wing, Henry and Lau Ho Wai, Lucas

DEFINITIONS

"Announcement" the joint announcement of the Company, Haier Corp and Haier Investment dated 2 April 2004
"Asset Injection" the acquisition of the Washing Machine Business by the Company pursuant to the Asset Injection Agreement and the Company's exercise of the Call Option to acquire the 35.5% equity interest in Pegasus Qingdao not already owned by the Company
"Asset Injection Agreement" the conditional sale and purchase agreement dated 5 March 2004 entered into between the Company, Haier Corp and Haier Investment in connection with the acquisition of the Washing Machine Business

By Order of the Board of
HAIER-CCT HOLDINGS LIMITED
(海爾中建集團有限公司)
Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 December 2004

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the 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 omission of which would make any statement contained herein misleading.

The Haier Group Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Company) and confirm, having made all reasonable inquiries, that to the best of their knowledge, the 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 omission of which would make any statement contained herein misleading.

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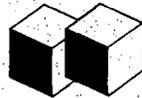
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HUNG HING

HUNG HING PRINTING GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 450)

**INTERIM DIVIDEND
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2004**

It was announced on 8th December, 2004 that the Directors declared the Interim Dividend of HK\$9.5 cents per Share payable to Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date. It was also announced that Shareholders may elect to receive New Shares in lieu of all or part of the Interim Dividend. The market value of a New Share has been calculated at HK\$5.40 per Share.

It was announced on 8th December, 2004 that the directors (the "Directors") of Hung Hing Printing Group Limited (the "Company") declared an interim dividend for the six months ended 30th September, 2004 (the "Interim Dividend") of HK\$9.5 cents per ordinary share of HK\$0.10 each of the Company ("Share") payable to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company at the close of business on 31st December, 2004 (the "Record Date"). It was also announced that Shareholders may elect to receive new ordinary shares of HK\$0.10 each of the Company ("New Shares") in lieu of all or part of the Interim Dividend.

For the purpose of calculating the number of New Shares to be allotted pursuant to the scrip dividend scheme (the "Scheme"), the market value of a New Share has been calculated at HK\$5.40. The market value of HK\$5.40 per Share represents 94.57% of the average of the closing prices per Share for the five consecutive trading days on which the Shares were traded on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") up to and including 31st December, 2004.

Accordingly, the number of New Shares which each Shareholder will receive, in respect of Shares registered in his/her name on the Record Date and for which election to receive New Shares is made, will be calculated as follows:

Number of New Shares to be received	=	Number of Shares held on Record Date, for which New Shares election is made	x	HK\$0.095 HK\$5.40
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The number of New Shares to be issued to each Shareholder pursuant to the Scheme will be rounded down to the nearest whole number. Fractional entitlements to New Shares will be disregarded and the benefit thereof will accrue to the Company. The New Shares to be issued pursuant to the Scheme will rank pari passu in all respects with the Shares except that they shall not rank for the Interim Dividend.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the New Shares to be issued pursuant to the Scheme.

A circular containing details of the Scheme and the accompanying form of election will be despatched to Shareholders on or around 7th January, 2005. Shareholders who wish to elect to receive the Interim Dividend wholly in New Shares, or partly in New Shares and partly in cash, must lodge the forms of election with the registrars of the Company, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on 24th January, 2005. Shareholders who do not complete and return the form of election before the time stated above will be deemed to have elected to receive the Interim Dividend wholly in cash. It is expected that the definitive certificates for the New Shares and cheques for cash dividends will be posted to the persons entitled thereto on or around 31st January, 2005 at their own risk.

As at the date of this announcement, the Board comprises Mr. Yam Cheong Hung, Mr. Yum Chak Ming, Matthew, Mr. Yan Ho Ming, Michael and Mr. Yam Hon Ming, Tommy, who are executive Directors; Dr. Chu Shu Ho, David and Miss Yum Pui Ming, Anna, who are non-executive Directors; Dr. Wu Shu Chih, Alex, Mr. Yip Yu Bun and Mr. Wong Siu Ping, who are independent non-executive Directors.

By Order of the Board of
HUNG HING PRINTING GROUP LIMITED
YAM CHEONG HUNG
Chairman

Hong Kong, 31st December, 2004

TOWN PLANNING ORDINANCE (Chapter 131)

**AMENDMENTS TO
THE APPROVED SAN TIN OUTLINE ZONING PLAN
NO. S/YL-ST/5**

Under section 12 (1) (b) (ii) of the Town Planning Ordinance (the Ordinance), the Chief Executive in Council on 8 July 2003 referred the approved San Tin Outline Zoning Plan No. S/YL-ST/5 to the Town Planning Board for amendment.

The Town Planning Board has made amendments to the Plan. The amendments are set out in the Schedule of Amendments. The descriptions of the areas affected by the amendments in the Schedule of Amendments are for general reference only. The exact locations of the areas affected by the amendments are more specifically shown on draft San Tin Outline Zoning Plan No. S/YL-ST/6.

Pursuant to section 12(3) of the Ordinance, the draft Outline Zoning Plan No. S/YL-ST/6 showing the amendments is exhibited under section 5 of the Ordinance for public inspection for a period of two months from the date of the first publication of this notice, that is until 12 February 2005, during normal office hours at the following locations:

- (i) the Secretariat of the Town Planning Board, 15th Floor, North Point Government Offices, 333 Java Road, North Point, Hong Kong;
- (ii) the Tuen Mun and Yuen Long District Planning Office, Planning Department, 14th Floor, Sha Tin Government Offices, 1 Sheung Wo Che Road, Sha Tin, New Territories;
- (iii) the Yuen Long District Office, Yuen Long District Office Building, 269 Castle Peak Road, Yuen Long, New Territories; and
- (iv) the San Tin Rural Committee, 7 Main Road, San Tin, Yuen Long, New Territories.

In accordance with section 6(1) of the Ordinance, any person affected by the amendments so exhibited may object within the said period of two months by sending to the Town Planning Board a written statement of his objection to the amendment(s) and address it to the Secretary, Town Planning Board, 15th Floor, North Point Government Offices, 333 Java Road, North Point, Hong Kong. A person may only object to the amendments.

In accordance with section 6(2) of the Ordinance, a written statement of objection shall set out:

- (a) the nature of and reasons for the objection; and
- (b) if the objection would be removed by an alteration of the draft Plan, any alternation proposed.

Copies of the draft San Tin Outline Zoning Plan No. S/YL-ST/6 incorporating the amendments are available on payment of a fee at the Survey and Mapping Office, Map Publications Centre (Hong Kong), 23rd Floor, North Point Government Offices, 333 Java Road, North Point, Hong Kong, and the Survey and Mapping Office, Map Publications Centre (Kowloon), Ground Floor, 382 Nathan Road, Kowloon. The electronic version of the plan is viewable from the Town Planning Board's website (<http://www.info.gov.hk/tpb>)

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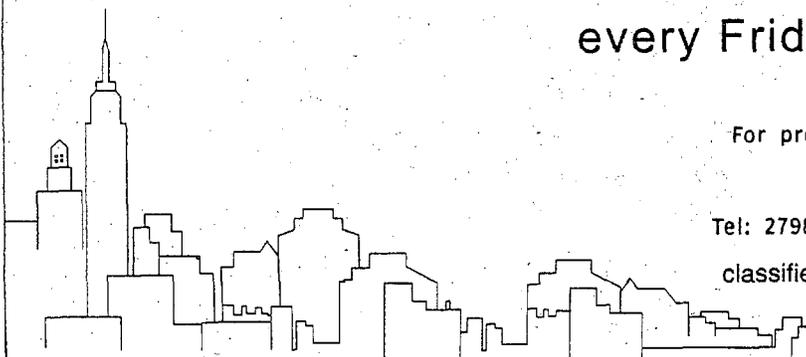
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百仕達控股有限公司
SINOLINK WORLDWIDE HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 1168)



PANVA GAS HOLDINGS LIMITED
百江燃氣控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8132)

**DISCLOSEABLE/MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF INTEREST IN CHANGCHUN GAS HOLDINGS LIMITED
DELAY IN DESPATCH OF CIRCULARS**

As Sinolink and Panva Gas require additional time for the compilation of certain financial and other information in relation to the accounts as required to be included in the Circulars, Sinolink and Panva Gas announce that they have applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules (in relation to Sinolink) and Rule 19.38 of the GEM Listing Rules (in relation to Panva Gas) respectively so that the despatch of their respective Circulars in relation to the Acquisition as announced jointly on 27 August 2004 will be postponed. The Circulars will be despatched as soon as practicable and in any event on or before 11 October 2004.

Reference is made to the joint announcement of Sinolink and Panva Gas dated 27 August 2004 (the "Joint Announcement") in relation to an acquisition of interest in Changchun Gas Holdings Limited. Capitalised terms used herein shall have the same meaning as ascribed thereto in the Joint Announcement.

Pursuant to Rule 14.38 of the Listing Rules (in relation to Sinolink) and Rule 19.38 of the GEM Listing Rules (in relation to Panva Gas), Sinolink and Panva Gas are required to despatch the circulars in relation to the Acquisition (the "Circulars") to the respective shareholders of Sinolink and Panva Gas within 21 days after the publication of the Joint Announcement, which shall be on or before 20 September 2004. As Sinolink and Panva Gas require additional time for the compilation of certain financial and other information in relation to the accounts as required to be included in the Circulars, Sinolink and Panva Gas announce that they have applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules (in relation to Sinolink) and Rule 19.38 of the GEM Listing Rules (in relation to Panva Gas) so that the despatch of their Circulars in relation to the Acquisition as announced on 27 August 2004 will be postponed. The Circulars will be despatched as soon as practicable and in any event on or before 11 October 2004.

By order of the Board
Sinolink Worldwide Holdings Limited
Tang Yui Man Francis
Chief Executive Officer

By order of the Board
Panva Gas Holdings Limited
CHEN Wei
Managing Director

Hong Kong, 20 September 2004

As at the date of this announcement, the Boards comprise of:

SINOLINK WORLDWIDE HOLDINGS LIMITED
Executive Directors:
OU Yaping (Chairman)
TANG Yui Man Francis (Chief Executive Officer)
CHEN Wei
LAW Sze Lai

Independent Non-executive Directors:
LI Zhi Xiang
XIN Luo Lin
Davin A. MACKENZIE

PANVA GAS HOLDINGS LIMITED
Executive Directors:
OU Yaping (Chairman)
TANG Yui Man Francis (Vice Chairman)
CHEN Wei (Managing Director)
LI Fujun
ZHANG Keyu
SHEN Lian Jin

Non-executive Directors:
FOK Kin-ning, Canning
TO Chi Keung, Simoo
(alternate director to FOK Kin-ning, Canning)

Independent Non-executive Directors:
CHEUNG Hon Kit
LI Xiao Hu

This announcement, for which the directors of Panva Gas Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to Panva Gas Holdings Limited. The directors of Panva Gas Holdings Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and no misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkex.com for at least 7 days from the date of its posting.

* For identification purpose only



中華城市燃氣集團有限公司
CHINA CITY NATURAL GAS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 603)

APPOINTMENT AND RE-DESIGNATION OF DIRECTORS

The board of directors (the "Board") of China City Natural Gas Holdings Limited (the "Company") is pleased to announce that Mr Wong Kui Shing, Danny has been appointed as executive director, chairman and chief executive officer of the Company and Mr Suzuki Masanori, previously a non-executive director, has been re-designated as executive director and has acted as deputy chairman of the Company with effect from 17 September 2004. The Board also announces that with effect from 17 September 2004, Mr Wong King Shiu, Daniel ceased to act as deputy chairman whilst remained as executive director of the Company.

Mr Wong Kui Shing, Danny

Mr Wong Kui Shing, Danny, aged 45, graduated with a Bachelor of Arts degree from the University of Hong Kong. He has extensive exposure in the financial and investment fields for over 18 years and is well experienced in international market.

From April 2000 to September 2000, Mr Danny Wong has been a deputy chief executive officer of the Company. He has been the chief executive officer, an executive director and a deputy chairman of the Company during the period respectively from September 2000, March 2001 and January 2002 to June 2004. He has also been the senior adviser of the Group from June 2004 to September 2004. He is currently director of certain subsidiaries of the Group. Save as disclosed herein, Mr Danny Wong does not hold any other position with the Company and other members of the Group, nor has he held any directorship in other listed public companies in the last three years.

As at the date of this announcement, Mr Danny Wong is personally interested in 15,400,000 shares of the Company and has a deemed interest of 2,180,122,000 shares of the Company through his wholly owned company which in turn holds Noble Islands Int'l Limited, a substantial shareholder of the Company (in aggregate representing approximately 23.06% of the existing issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. Mr Danny Wong is a director of Noble Islands Int'l Limited. Save as disclosed herein, Mr Danny Wong does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

A wholly-owned subsidiary of the Company has entered into a service contract with Mr Danny Wong for a term of two years from 17 September 2004 and after which it will continue in force until terminated by either party giving not less than one month's written notice to the other. By virtue of holding office of chairman, Mr Danny Wong is not subject to retirement by rotation and re-election at annual general meeting under the Company's Bye-laws. He is entitled to a remuneration package (including housing allowance) totalling HK\$2,400,000 per annum, which is determined with reference to his experience and effort on the Group's overall investment and operations as well as the prevailing market situation. Mr Danny Wong is not aware of any matters that need to be brought to the attention of the shareholders of the Company.

Mr Suzuki Masanori

Mr Suzuki Masanori, aged 46, holds a Master of Arts in International Relations from International University of Japan and Johns Hopkins University. He has a strong background in finance and administration in strategic investment.

Mr Suzuki has been an executive director of the Company from March 2000 to January 2002 and has acted as the chairman of the Company from September 2000 to January 2002. He was then designated as a non-executive director of the Company in January 2002 and has since held such office until this re-designation as executive director and deputy chairman. Save as disclosed herein, Mr Suzuki does not hold any other position with the Company and other members of the Group.

Between February 2000 and February 2003, Mr Suzuki was a non-executive director of Leadership Publishing Group Limited (formerly "Sing Pao Media Group Limited" and "STAREASTnet.com Corporation"), a company whose shares are listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. Save as disclosed herein, Mr Suzuki does not hold any directorship in any other listed public companies in the last three years.

Mr Suzuki is not connected with any directors, senior management or substantial or controlling shareholders of the Company and he does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Except for the re-designation, the terms of service contract with the Company in respect of Mr Suzuki's appointment remain unchanged. The appointment is for a term of two years from 25 January 2004 subject to early termination by either party giving one month's prior written notice to the other party. Mr Suzuki is subject to the provisions of retirement by rotation and re-election of directors in accordance with the Company's Bye-laws. He is entitled to an annual emolument of US\$108,000, which is determined with reference to his experience and responsibilities with the Company as well as the prevailing market situation. Mr Suzuki is not aware of any matters that need to be brought to the attention of the shareholders of the Company.

As at the date of this announcement, the Board comprises five executive directors, namely Mr Wong Kui Shing, Danny, Mr Suzuki Masanori, Mr Wong King Shiu, Daniel, Mr Kan Kwok Shu and Mr Lin Che Che, George; and two independent non-executive directors, namely Mr Cheung Man Yau, Timothy and Mr Chuk Che Shing.

By Order of the Board
China City Natural Gas Holdings Limited
Wong Kui Shing, Danny
Chairman

Hong Kong, 20 September 2004

* For identification purposes only

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CENTRAL CHINA ENTERPRISES LIMITED
中洲控股有限公司

(Incorporated in Hong Kong with limited liability)
 (Stock Code: 351)

ANNOUNCEMENT
APPOINTMENT OF EXECUTIVE DIRECTOR

The board of directors (the "Board") of Central China Enterprises Limited (the "Company") announces the appointment of Mr. Hon Ming Kong as an executive director of the Company effective from 20th September, 2004.

Information on the new executive director

The brief biography of Mr. Hon Ming Kong is set out below.

Mr. Hon Ming Kong, aged 36, was appointed as an executive director of the Company effective from 20th September, 2004. Mr. Hon has over 14 years of experience in shipping industry. Mr. Hon is currently the Chairman and an executive director of China Conservational Power Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and engaged in the businesses of electrical engineering contracting, electrical materials and component trading, securities brokerage, sea freight forwarding and waste incineration and processing in the People's Republic of China. Mr. Hon is responsible for the overall management and strategic planning of China Conservational Power Holdings Limited and its subsidiaries. Mr. Hon was an executive director of Oriental Union Holdings Limited (now known as Foundation Group Limited) from 12 February 1999 to 11 December 2002, a company listed on the Main Board of the Stock Exchange and principally engaged in the business of provision of bulk cargo services during Mr. Hon's directorship.

Apart from his directorship with China Conservational Power Holdings Limited and Oriental Union Holdings Limited (now known as Foundation Group Limited), Mr. Hon has not held any directorship in any listed public companies in the last three years. He does not hold any position in any subsidiaries of the Company.

There is no service agreement between the Company and Mr. Hon and the appointment of Mr. Hon has no fixed term. Under the articles of association of the Company, Mr. Hon will hold the office of a director of the Company until the next annual general meeting of the Company and will retire at that annual general meeting, but is eligible for re-election. The annual amount of emoluments payable to Mr. Hon is HK\$1,200,000 which was agreed upon mutual agreement with reference to the experience and responsibilities of Mr. Hon in the Company.

Other than the relationship arising from his being an executive director of the Company, Mr. Hon does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date of this announcement, Mr. Hon was not interested or deemed to be interested in any shares of the Company or underlying shares pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the date of this announcement, the Board comprises:

Executive directors:
 Mr. Chan Tat Chee (Chairman)
 Ms. Tang Yuk Chee, Josephine
 Mr. Chow Ho Tung, Anthony
 Mr. Kwong Jimmy Cheung Tim
 Mr. Hon Ming Kong

Independent non-executive directors:
 Mr. Cham Yiu Keung
 Mr. Lee Yu Leung

By order of the Board
 Central China Enterprises Limited
 Chan Tat Chee
 Chairman

Hong Kong, 20th September, 2004



APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board of Directors (the "Board") of Winsor Industrial Corporation, Limited (the "Company") announces that Mr. Yeung Lai Woo has been appointed an independent non-executive director and a member of the audit committee of the Company with effect from 20 September 2004.

Mr. Yeung Lai Woo, aged 57, is a partner of Chung & Yeung, a firm of Certified Public Accountants in Hong Kong since its establishment in 1985. He is a Fellow of the Hong Kong Society of Accountants and a Certified Public Accountant in Hong Kong. He is also a Fellow of the Australian Society of Certified Practising Accountants. He has over 30 years' professional experience in accounting, finance, taxation and auditing.

Mr. Yeung has not held any position with the Company or its group of companies previously. He does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company, nor is he holding any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract between Mr. Yeung and the Company. Mr. Yeung is not appointed for a specific term. In accordance with the articles of association of the Company, he shall hold office only until the next annual general meeting of the Company, and shall then be eligible for re-election. If re-elected, he is subject to retirement by rotation and re-election at annual general meetings of the Company. In accordance with the latest approval by shareholders in force, Mr. Yeung will be paid a fee at the rate of HK\$30,000.00 per annum for acting as an Independent Non-Executive Director of the Company.

The Board would like to take this opportunity to welcome Mr. Yeung in joining the Board.

As at the date of this announcement, the Board of Directors of the Company comprises eleven Directors as follows:—

Executive Directors		Independent Non-Executive Directors
Mr. Chow Wea Hsien	Mr. Tang Hung Yuan	Lord Sandberg, Michael Graham Ruddock
Mr. Chow Chung Kai	Mr. Lam Woon Bun	Mr. Yue Kwok Hung, Justin
Mr. Chow Wai Wai, John	Mr. Tang Ming Chien, Manning	Mr. Ho Fook Hong, Ferdinand
Mr. Chow Ming Shan		Mr. Yeung Lai Woo

By Order of the Board
 Wong Hau Yan, Helvin
 Company Secretary

Hong Kong, 20 September 2004



ORIENTAL WATCH HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
 (the "Company")
 (Stock Code: 398)

ANNOUNCEMENT
APPOINTMENT OF DIRECTOR

The Company is pleased to announce that Mr So Kai Lau, Peter ("Mr So") has been appointed as an independent non-executive director of the Company and a member of the audit committee with effect from 20th September, 2004.

Mr So, aged 56, is a Certified Public Accountant and a Canadian Chartered Accountant. He was a partner of Deloitte Touche Tohmatsu who retired in May, 2003. He is also an independent non-executive director of Tsit Wing International Holdings Limited, a company listed on the stock exchange in Singapore. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company or any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr So does not have any service contract with the Company. He is not appointed for a specific term but is subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company. He will receive a director's fee of HK\$108,000 per annum, which is determined with reference to the prevailing range of fees for independent non-executive directors of listed companies in Hong Kong. Mr So confirms that there is no other matter regarding his appointment that needs to be brought to the attention of the shareholders of the Company.

As at the date of this announcement, the directors of the Company are Messrs. Yeung Ming Blu, Yeung Him Kit, Dennis, Fung Kwong Yiu, Yeung Man Yee, Shirley, Chan Che Kwong, William, Lam Hing Lun, Alain, Choi Kwok Yum, Dr. Sun Ping Hsu, Samson, Dr. Li Sau Hung, Eddy and Mr So.

By order of the Board
 Yeung Ming Blu
 Chairman

Hong Kong, 20th September, 2004

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Techtronic Industries Co. Ltd.
 (Incorporated in Hong Kong with limited liability)
 (Stock Code: 669)

ANNOUNCEMENT
DELAY IN DESPATCH OF CIRCULAR

The Company has applied to the Stock Exchange for an extension of the deadline for despatch of the Circular from 21st September 2004 to 12th October 2004.

Reference is made to the announcement made by the Company dated 30th August 2004 (the "Announcement") regarding the proposed acquisition of companies comprising the Milwaukee®, AEG® and DreBo® electric power tools and accessories businesses of Atlas Copco AB. Terms used in this announcement shall have the same meaning as defined in the Announcement unless the context otherwise requires.

Pursuant to the requirements under Rule 14.38 of the Listing Rules, the circular of the Company (the "Circular") regarding the Transaction should be despatched to the Shareholders within 21 days after the publication of the Announcement (in this case it should be despatched on or before 21st September 2004). Additional time is required by the Company and its auditors to obtain and compile certain information, including the accountants' report on the Business which is to be prepared under IFRS, to meet the disclosure requirements required by the Listing Rules to be included in the Circular. The accounts of the Business are currently produced in accordance with Swedish GAAP and it will take the auditors' time to prepare these figures for the Circular in accordance with IFRS. Accordingly, there is a delay in the despatch of the Circular. In view of the additional time required, the Company has applied to the Stock Exchange for a waiver of strict compliance with Rule 14.38 of the Listing Rules and an extension of the deadline for despatch of the Circular from 21st September 2004 to 12th October 2004.

As at the date of this announcement, the Board comprises five Group executive Directors, namely, Mr. Horst Julius Pudwill (Chairman and Chief Executive Officer), Mr. Roy Chi Ping Chung (Managing Director), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Dr. Akio Urakami and three independent non-executive Directors, namely, Mr. Vincent Ting Kau Cheung, Mr. Joel Arthur Schleicher and Mr. Christopher Patrick Langley.

By Order of the Board of
 Techtronic Industries Company Limited
 Chi Chung Chan
 Company Secretary

Hong Kong, 20th September 2004

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67	OAT/GOT/1512/04	TOKYO LOVE STORY VOL.2 (RG)998)	Class III article (obscene)
68	OAT/GOT/1513/04	RG.2574	Class III article (obscene)
69	OAT/GOT/1514/04	RG.2600	Class III article (obscene)
70	OAT/GOT/1515/04	イカヤ無限大 3	Class III article (obscene)
71	OAT/GOT/1516/04	吉沢明歩	Class II article (indecent)
72	OAT/GOT/1517/04	Hips To Heels HARDCORE	Class III article (obscene)
73	OAT/GOT/1518/04	Super NATURALS	Class III article (obscene)
74	OAT/GOT/1519/04	6362	Class II article (indecent)
75	OAT/GOT/1520/04	6298	Class II article (indecent)
76	OAT/GOT/1521/04	STRAYS	Class III article (obscene)
77	OAT/GOT/1522/04	Sexy EURO GIRLS	Class III article (obscene)
78	OAT/GOT/1523/04	株式会社	Class III article (obscene)
79	OAT/GOT/1524/04	Hitomi Hama	Class II article (indecent)
80	OAT/GOT/1525/04	ANAL delinquents	Class III article (obscene)
81	OAT/GOT/1526/04	A Tale of TWO TITTIES	Class III article (obscene)
82	OAT/GOT/1527/04	拘束性交 (6287)	Class III article (obscene)
83	OAT/GOT/1528/04	AFTER SCHOOL BEAUTIFUL GIRL (6284)	Class III article (obscene)
84	OAT/GOT/1529/04	AV ACTRESS	Class III article (obscene)
85	OAT/GOT/1530/04	INDECENT SECRETARY	Class III article (obscene)
86	OAT/GOT/1531/04	綺羅義姉 (DD-1006)	Class III article (obscene)
87	OAT/GOT/1532/04	妊娠中 (DD-802)	Class II article (indecent)
88	OAT/GOT/1533/04	痴女 4 人の追跡実録	Class III article (obscene)
89	OAT/GOT/1534/04	594	Class III article (obscene)
90	OAT/GOT/1535/04	D-3029	Class III article (obscene)
91	OAT/GOT/1536/04	D-3261	Class III article (obscene)
92	OAT/GOT/1537/04	DD-320	Class III article (obscene)
93	OAT/GOT/1538/04	DD-070	Class III article (obscene)
94	OAT/GOT/1539/04	D-3206	Class III article (obscene)
95	OAT/GOT/1540/04	D-3124	Class III article (obscene)
96	OAT/GOT/1541/04	DB-528..	Class II article (indecent)
97	OAT/GOT/1542/04	DB-334	Class III article (obscene)
98	OAT/GOT/1543/04	NO-6414	Class III article (obscene)
99	OAT/GOT/1544/04	NO-6327	Class III article (obscene)
100	OAT/GOT/1545/04	Liquid Gold #9	Class II article (indecent)
101	OAT/GOT/1546/04	Boy Toy	Class III article (obscene)
102	OAT/GOT/1547/04	AssDriven Volume 2	Class III article (obscene)
103	OAT/GOT/1548/04	BLACK GANGBANGERS #6	Class III article (obscene)

II. NOTICE of the CLASSIFICATION of the articles is given by the Obscene Articles Tribunal, pursuant to section 19(1)(b)(ii), 19(1)(c) and 19(2) of the Control of Obscene and Indecent Articles Ordinance, Chapter 390 of the Laws of Hong Kong (hereinafter called "the said Ordinance"):

1. Case No. : OAT/CD/59/04

Description of Article : CD-ROM
 Title of CD-ROM : Sept 2004 Mgirl Game
 Applicant : Mobile Digital Media B.V., Owner of Copyright
 Result of Classification : Class II article (indecent)
 In accordance with section 8(2)(c) of the said Ordinance, the Tribunal imposed the following condition relating to its publication :
 Pictures eiko.JPG, eiko(3).JPG, eiko(4).JPG, katalinal.JPG, katalinal(4).JPG, masami (1).JPG and masami(8).JPG are to be expunged.

2. Case No. : OAT/CD/60/04

Description of Article : Digital Video Disc
 Title of Disc : WF-108-86 (Chu Chu 99.Vol.10・弄ばれた乙女)
 Applicant : Wing Fung Film Distribution Company Limited, Distributor
 Result of Classification : Class II article (indecent)
 In accordance with section 8(2)(c) of the said Ordinance, the Tribunal imposed the following condition relating to its publication :
 Segments from 00:26:00:00 to 00:31:00:00; 00:33:00:00 to 00:53:00:00; 01:12:00:00 to 01:19:00:00; 01:21:00:00 to 01:25:30:00 and 01:46:00:00 to 02:00:00:00 are to be expunged.

3. Case No. : OAT/CD/61/04

Description of Article : Digital Video Disc
 Title of Disc : WF-87-125 (変態サイトでマニア君と遊ぼう! 爆射! ザーメン)

Applicant : Wing Fung Film Distribution Company Limited, Distributor
 Result of Classification : Class II article (indecent)
 In accordance with section 8(2)(c) of the said Ordinance, the Tribunal imposed the following condition relating to its publication :
 Segments from 00:32:10:00 to 00:34:00:00; 00:39:30:00 to 00:40:20:00; 00:47:00:00 to 00:50:00:00; 00:50:20:00 to 00:53:10:00 and 01:44:00:00 to 01:52:00:00 are to be expunged.

4. Case No. : OAT/VT/225/04

Description of Article : Video Tape
 Title of Tape : Silver Knife
 Applicant : Winson Entertainment Production Limited, Distributor
 Result of Classification : Class II article (indecent)

5. Case No. : OAT/VT/226/04

Description of Article : Video Tape
 Title of Tape : Vampire Clan
 Applicant : Winson Entertainment Production Limited, Distributor
 Result of Classification : Class II article (indecent)

6. Case No. : OAT/MA/205/04

Description of Article : Magazine
 Title of Magazine : 香港 97 十隻白虎 第 65 期
 (in a loose-leaf form - 112 pages and incomplete)

Applicant : Sino Connector Limited, Publisher
 Result of Classification : Class II article (indecent)

In accordance with section 8(2)(c) of the said Ordinance, the Tribunal imposed the following condition relating to its publication :
 Pages 30(A), 49(B), 68(A), 93(B), 95(B) and 97(B) are to be expunged.

7 - 105 Description of Articles : Packagings of Digital Video Disc (7 - 8, 33 - 105)
 Packagings of Video Compact Disc (9 - 32)

Applicant : Commissioner for Television and Entertainment Licensing

Case No.	Title of Packaging	Result of Classification
7	OAT/GOT/1169/04 DB-115	Class II article (indecent)
8	OAT/GOT/1170/04 美熟女トルユ行進曲 3 (DB-457)	Class III article (obscene)
9	OAT/GOT/1176/04 大波妹	Class III article (obscene)
10	OAT/GOT/1177/04 黒鬼戦日本妹	Class III article (obscene)
11	OAT/GOT/1178/04 Q353	Class III article (obscene)
12	OAT/GOT/1179/04 Q229	Class III article (obscene)
13	OAT/GOT/1180/04 VB-150	Class II article (indecent)
14	OAT/GOT/1181/04 VB-143	Class III article (obscene)
15	OAT/GOT/1182/04 11111	Class III article (obscene)
16	OAT/GOT/1183/04 9601	Class II article (indecent)
17	OAT/GOT/1184/04 MD-227	Class III article (obscene)
18	OAT/GOT/1185/04 FC169	Class III article (obscene)
19	OAT/GOT/1186/04 巨乳母	Class III article (obscene)
20	OAT/GOT/1187/04 TOKYO MADAM Vol.1	Class III article (obscene)
21	OAT/GOT/1188/04 原点小森美樹	Class II article (indecent)
22	OAT/GOT/1189/04 魔性	Class II article (indecent)
23	OAT/GOT/1190/04 DREAM GIRLS in St. Martin	Class III article (obscene)
24	OAT/GOT/1191/04 BEST OF SUMMER	Class III article (obscene)
25	OAT/GOT/1192/04 華歌恋 VB-480	Class III article (obscene)
26	OAT/GOT/1193/04 Lewa Teachers VB-342	Class III article (obscene)
27	OAT/GOT/1194/04 猥褻パンブ	Class III article (obscene)
28	OAT/GOT/1195/04 美人教師 暴行現場	Class III article (obscene)
29	OAT/GOT/1196/04 Vol.06 EUROPE AND AMERICA SERIES	Class III article (obscene)
30	OAT/GOT/1197/04 東瀛美少女系列第一套	Class III article (obscene)
31	OAT/GOT/1198/04 M 乳遊戯	Class II article (indecent)
32	OAT/GOT/1199/04 友達の母 (V)	Class III article (obscene)
33	OAT/GOT/1200/04 AV 女星 (河合)	Class III article (obscene)
34	OAT/GOT/1201/04 JAPANESE SUPER IDOLS Vol.9	Class III article (obscene)
35	OAT/GOT/1202/04 FBD4-06240	Class III article (obscene)
36	OAT/GOT/1203/04 FBD4-06102	Class III article (obscene)
37	OAT/GOT/1204/04 YOUNG CUNTS	Class III article (obscene)
38	OAT/GOT/1205/04 SPECS APPEAL 16	Class III article (obscene)
39	OAT/GOT/1206/04 THE PROFESSIONALS NO.3	Class III article (obscene)
40	OAT/GOT/1207/04 intrigue	Class III article (obscene)

(in a loose-leaf form – 230 pages and incomplete)

Applicant : Creative Dragon Holdings Limited, Publisher

Date of Application : 28.10.2004

Date of Interim Classification : 29.10.2004

Result of Interim Classification : Class II article (indecent)

In accordance with section 8(2)(c) of the said Ordinance, the Tribunal imposed the following condition relating to its publication :

Picture 52 is to be expunged.

II. NOTICE of the CLASSIFICATION of the articles is given by the Obscene Articles Tribunal, pursuant to section 19(1)(b)(ii), 19(1)(c) and 19(2) of the Control of Obscene and Indecent Articles Ordinance, Chapter 390 of the Laws of Hong Kong (hereinafter called "the said Ordinance") :

1. Case No. : OAT/VT/239/04

Description of Article : Video Tape

Title of Tape : 東瀛精選系列之(91)

1. Various Play
2. AVW 女子犂角大賽

Applicant : Giant Film Distribution Limited, Distributor

Result of Classification : Class II article (indecent)

2. Case No. : OAT/VT/240/04

Description of Article : Video Tape

Title of Tape : AV 女優叫床龍虎榜之

1. 第一美腿屁股
2. 貞淫濕吸

Applicant : Hollywood International Entertainment Holdings Company Limited, Distributor

Result of Classification : Class II article (indecent)

3. Case No. : OAT/MA/224/04

Description of Article : Magazine

Title of Magazine : 香港97 中文版 第531期

(in a loose-leaf form – 53 pages and incomplete)

Applicant : Sino Connector Limited, Publisher

Result of Classification : Class II article (indecent)

In accordance with section 8(2)(c) of the said Ordinance, the Tribunal imposed the following condition relating to its publication :

Pages 35(B and C), 49(B) and 50(B) are to be expunged.

Andrew HO
for Registrar, High Court



LEE & MAN HOLDING LIMITED

(理文集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 746)

ANNOUNCEMENT

The Board of Directors ("the Board") of Lee & Man Holding Limited ("the Company") announces that:

Ms Lee Lai Chu ("Ms Lee") has resigned as the Executive Director of the Company with effect from 1 November 2004. Both the Board and Ms Lee confirmed that Ms Lee had no disagreement with the Board and Ms Lee confirmed that she was not aware of any matters which need to be drawn to the attention of the shareholders of the company.

The Board would like to extend its appreciation to Ms Lee for her valuable contribution during the tenure of her directorship in the Company.

As at the date of this announcement, the Board comprises of 4 executive directors, namely, Ms Wai Siu Kee, Ms Lee Marina Man Wai, Ms. Poon Lai Ming and Mr. Lee Man Yan, and 3 independent non-executive directors, namely, Mr. Heng Kwoo Seng, Mr. Wan Chi Keung, Aaron JP and Mr. Wong Kai Tung, Tony.

By Order of the Board
Cheung Kwok Keung
Company Secretary

Dated the 1st day of November 2004

for identification purposes only



亞洲金融集團(控股)有限公司

ASIA FINANCIAL HOLDINGS LTD.

(Stock Code: 662)

Incorporated in Bermuda with limited liability

ANNOUNCEMENT

The Board of the Company announces that Ms. Chan has been appointed as an alternate director to Tan Sri Tsao on 1st November 2004.

The Board of the Company also announces that Mr. Furukawa has been appointed as an alternate director to Mr. Muraoka on 1st November 2004.

The board of directors (the "Board") of Asia Financial Holdings Limited (the "Company") announces that Ms. Chan Yeow Toh ("Ms. Chan") has been appointed as an alternate director to Tan Sri Frank W.K. Tsao ("Tan Sri Tsao") on 1st November 2004.

The Board of the Company also announces that Mr. Kosuke Furukawa ("Mr. Furukawa") has been appointed as an alternate director to Mr. Takashi Muraoka ("Mr. Muraoka") on 1st November 2004.

Ms. Chan, aged 49, joined the IMC Group in 1990 and is presently Director - Corporate Development & Investment of IMC Development & Management Limited. She is a Fellow member of The Institute of Chartered Secretaries & Administrators, United Kingdom and The Malaysian Association of Company Secretaries. She was the Company Secretary of IMC Holdings Limited from 1990 until 2002 when it was delisted from The Stock Exchange of Hong Kong Limited. She is also director of a number of other companies in Hong Kong and overseas. Ms. Chan is also an alternate director to Tan Sri Tsao of Asia Insurance Company, Limited, a wholly-owned subsidiary of the Company.

Mr. Furukawa, aged 51, is currently the General Manager of the Hong Kong Branch of UFJ Bank Limited ("UFJ Bank") (being a wholly-owned subsidiary of UFJ Holdings, Inc., a substantial shareholder of the Company). He obtained his Bachelor of Business degree from Osaka City University in 1977 and joined UFJ Bank (previously Tokai Bank) in 1977.

Except for Mr. Furukawa being a staff of a wholly-owned subsidiary of a substantial shareholder of the Company, each of Ms. Chan and Mr. Furukawa does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. They do not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered into between each of Ms. Chan and Mr. Furukawa and the Company and no terms have been fixed or proposed for their length of service with the Company. Ms. Chan and Mr. Furukawa did not hold any other directorship in listed public company in the last three years.

Pursuant to the Bye-laws of the Company, Ms. Chan and Mr. Furukawa, as an alternate director to Tan Sri Tsao and Mr. Muraoka respectively, shall cease to be an alternate director if Tan Sri Tsao or Mr. Muraoka ceases for any reason to be a director of the Company and are not entitled to receive from the Company any fee in their capacity as alternate directors.

The Board takes this opportunity to welcome Ms. Chan and Mr. Furukawa to join the Board.

As at the date hereof, the Board comprises of the following directors:

Executive Directors:

Mr. Robin Y.H. Chan
(Chairman and Managing Director)
Mr. Lau Ki Chit

The Hon. Bernard C. Chan
(Deputy Managing Director)

Non-Executive Directors:

Tan Sri Frank W.K. Tsao
Mr. Ng Song Hin
Mr. Chatri Sophonpanich
Mr. Na Wu Beng
Dr. The Hon. Philip Y.H. Wong
Mr. Kenneth Chi Lam Siao
Mr. Kosuke Furukawa (alternate director
to Mr. Takashi Muraoka)

Mr. Choedchu Sophonpanich
Mr. Tan Eng Heng
Mr. Yoshitaka Sawamura
Mr. Takashi Muraoka
Dr. Leo Tung Hai Lee
Ms. Chan Yeow Toh (alternate director to Tan
Sri Frank W. K. Tsao)

Independent Non-Executive Directors:
Ms. Anna Suk Han Chow

Mr. Andrew Chiu Cheung Ma

By Order of the Board
Melanie Ng
Company Secretary

Hong Kong, 1st November 2004

 首創置業股份有限公司
BEIJING CAPITAL LAND LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2868)

NOTICE OF BOOK CLOSE

Further to the Notice of Extraordinary General Meeting issued by Beijing Capital Land Ltd. (the "Company") on 1st November 2004, the Company would like to announce that the Register of Members of the Company will be closed from Wednesday, 17th November 2004, to Friday, 17th December 2004 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending the Extraordinary General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, Rm 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 16th November 2004.

By order of the Board
Beijing Capital Land Ltd.
Eva Chan
Company Secretary

Hong Kong, 1st November 2004

Classified

Patsy Leung Tel: 2798 2707 Isabelle Chan Tel: 2798 2765 Fax: 2798 2765

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COSL
CHINA OILFIELD SERVICES LIMITED
中海油田服務股份有限公司
(Incorporated in the People's Republic of China as a joint stock limited liability company)
(Stock Code: 2883)

CLARIFICATION ANNOUNCEMENT

The Board refers to the recent press articles regarding the provision of depositary and transaction settlement services by CNOOC Finance to the Group.

The Board also wishes to clarify the shareholding interests of the substantial shareholders as disclosed in the Circular.

The Board of directors (the "Board") of China Oilfield Services Limited (the "Company", together with its subsidiaries, the "Group") refers to the recent press articles regarding the provision of depositary and transaction settlement services by CNOOC Finance Corporation Limited ("CNOOC Finance") to the Group (the "Financial Services"). Details of the transactions are set out in the Company's announcement dated 20 October 2004 (the "Announcement"). Terms defined in the Announcement shall have the same meanings when used herein.

It was quoted in the article that no fee savings would be realised from the Financial Services as CNOOC Finance is a fee-charging profit-oriented entity and the risk of depositing money at CNOOC Finance is not greater than putting money at any other bank. The Board would like to clarify as follows:

- (i) The principal purpose for the Group to engage CNOOC Finance in the Financial Services has been to facilitate efficient and orderly settlement for transactions with members of CNOOC Group. The pricing policy of CNOOC Finance and commercial banks in the PRC are subject to the guidelines of the People's Bank of China, the central bank in the PRC, and the charges by CNOOC Finance for its financial services to the Group are comparable to those charged by the PRC banks for similar services. However, as CNOOC Finance is more familiar with the business of the Group and CNOOC Group, CNOOC Finance tends to be more efficient in terms of processing transactions than PRC banks that perform similar services and less time-consuming in terms of settling funds between members of the Group and those of CNOOC Group. It helps to reduce the Group's transaction costs (such as expense overlays, time cost, handling fees for transfer of funds and other administrative expenses).
- (ii) With respect to the credibility of commercial banks in the PRC vis-a-vis that of CNOOC Finance, CNOOC Group was rated A2 by Moody's and BBB+ by The Standard and Poor's, which ratings, the Company believes, remain among the highest ratings assigned by these rating agencies to the PRC corporates, including commercial banks.
- (iii) As disclosed in the Prospectus, CNOOC Finance is a non-bank financial institution established with the approval of the People's Bank of China. It is subject to the supervision of the China Banking Regulatory Commission. CNOOC Finance may engage in a variety of finance and investment activities including investments in equity securities, debt securities and real estate as well as borrowings and guarantees. It may also engage in CNOOC intra-group lending. The deposits with CNOOC Finance will not have the protection of any security interest or guaranty from CNOOC. However, given the creditability of CNOOC Group as stated in paragraph (ii) above, the Company believes that the risk profile of CNOOC Finance, as a provider of the depositary and settlement services to the Group, is not greater than commercial banks in the PRC.

The Company also refers to the circular of the Company dated 21 October 2004 (the "Circular"). The Directors noted with regret that due to oversight, the disclosure of the substantial shareholders' interests in the Company as contained in the Circular was inaccurate and it only reflected the Company's register as at 31 December 2003. The Company believes the discrepancy is not material and the Shareholders' interests and voting rights would not be prejudiced as:

- (i) all the requisite information has been included in the Circular and the Shareholders are given all the particulars and information that are necessary to enable a shareholder to make an informed assessment of the subject transactions to be considered at the EGM;
- (ii) the discrepancy in the disclosure does not disfranchise any of the Shareholders;
- (iii) the shareholding interests of CNOOC in the Company have been disclosed in the Circular; and
- (iv) the shareholdings in the Company of the other substantial shareholders that are not parties to the Non-Exempt Continuing Connected Transactions should not have any effect on the voting intention of the Shareholders.

The Company would like to set out the information as at 15 October 2004, being the latest practicable date (the "Latest Practicable Date") prior to the issue of the Circular, as follows:-

As at the Latest Practicable Date, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the Directors or chief executive of the Company, the following are details of the persons (other than a director, supervisors or chief executive of the Company) who had an interest or short position in the shares (including options) or underlying shares in 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 were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meeting of any other member of the Group:

Name	Capacity and nature of interest	Number and class of shares (Note 1)	Approximate percentage in the respective class of share capital in the Company	Approximate percentage of the issued share capital of the Company
China National Offshore Oil Corporation	beneficially owned	2,460,468,000 domestic shares (L)	100% (L)	61.58% (L)
Morgan Stanley	interest of a controlled corporation	89,890,000 H shares (L)	5.86% (L)	2.25% (L)
J.P. Morgan Chase & Co.	Note 2	259,005,000 H shares (L) 254,961,000 H shares (P)	16.87% (L) 16.61% (P)	6.48% (L) 6.38% (P)
State Street Corporation	interest of a controlled corporation	86,008,000 H shares (P)	5.60% (P)	2.15% (P)
The Capital Group Companies, Inc.	investment manager	169,808,925 H shares (L)	11.06% (L)	4.25% (L)
Schroder Investment Management North America Limited	investment manager	79,706,000 H shares (L)	5.19% (L)	1.99% (L)

Note 1: (L)-long position; (S)-short position; and (P)-lending pool

Note 2: holding 982,000 H shares as beneficial owner, 3,142,000 H shares as investment manager and 254,961,000 H shares as custodian corporation/approved lending agent

Save as disclosed above, according to the register of interest kept by the Company under Section 336 of the SFO and so far as was known to the Directors or chief executive of the Company, there was no other person who, as at the Latest Practicable Date, had an interest or short position in the shares or underlying Shares 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 was, directly or indirectly, beneficially 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 member of the Company or in any options in respect of such capital.

The Company will check its record against the information set out in the website of the Stock Exchange more often on a regular basis to ensure that similar event will not occur in the future.

As at the date of this announcement, the Board comprises seven members: Messrs. Yuan Guangyu and Wu Mengfei as executive directors; Messrs. Fu Chengyu and Wang Zhongan as non-executive directors; and Messrs. Andrew Y. Yan, Gordon C.K. Kwong and Simon X. Jiang as independent non-executive directors.

By Order of the Board
China Oilfield Services Limited
Chen Weidong
Company Secretary

Hong Kong, 1 November, 2004

TANRICH

TANRICH FINANCIAL HOLDINGS LIMITED

敦沛金融控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 812)

Appointment of Executive Director

The Board of Directors (the "Board") of Tanrich Financial Holdings Limited (the "Company") is pleased to announce that Mr. LEE Chi Shing, Caesar ("Mr. Lee") has been appointed as an executive director of the Company with effect from 1st November 2004.

Mr. Lee, aged 41, has over 19 years of experiences in taxation planning, investigation and consultant. Mr. Lee holds a bachelor degree in Accountancy from the Hong Kong Polytechnic University and a master degree of International Accountancy from City University of Hong Kong. Mr. Lee is a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Associate of Chartered Certified Accountants and a member of the Hong Kong Institute of Registered Financial Planner. He had worked in the field audit and investigation section of Inland Revenue Department for over 15 years. He was also a senior executive of Tax Department of Ernst and Young and a tax partner of Andes Glacier & Co.

Mr. Lee has not held any directorship in listed public companies in the last three years or any position with the Company and its subsidiaries (collectively the "Group") immediately before the date of his appointment. Mr. Lee does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. He has no interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Lee has entered into a service agreement with the Company for a term of two years commencing from the effective date and shall continue every two years thereafter unless and until terminated by either the Company or Mr. Lee giving to the other not less than three month's notice in writing to determine the same. He is entitled a salary and allowance of HK\$100,000 per month, one month discretionary bonus and a year end bonus of an amount equals to 2% of the net profit after tax of the Group as reflected in the audited consolidated financial statements of the Group, which has been determined and approved by the Board with reference to his duties and responsibilities.

The Board takes this opportunity to express warm welcome to Mr. Lee to join the Board.

As at the date of this announcement, the executive directors of the Company are Mr. Yip Man Fan, Mr. Kwok Kam Hoi and Mr. Toru Tsunoyama, the independent non-executive directors of the Company are Mr. Lam, Andy Siu Wing, JP, Mr. Sun Shuyi and Mr. Yu King Tin.

By Order of the Board
Kwok Kam Hoi
Chief Executive

Hong Kong, 2nd November 2004

* For identification only

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Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)
(Stock Code : 669)

ANNOUNCEMENT

FURTHER DELAY IN DESPATCH OF THE CIRCULAR

The Company has applied to the Stock Exchange for a further extension of the deadline for despatch of the Circular from 2nd November 2004 to 23rd November 2004.

Terms used in this announcement shall have the same meaning as defined in the announcement made by the Company dated 30th August 2004, the announcement made by the Company dated 20th September 2004 and the announcement made by the Company dated 11th October 2004 (the "Third Announcement") unless the context otherwise requires.

Reference is made to the Third Announcement in which it was mentioned that the Company had applied to the Stock Exchange for a further waiver of strict compliance with Rule 14.38 of the Listing Rules and a further extension of the deadline for despatch of the Circular from 12th October 2004 to 2nd November 2004. On 13th October 2004, the Stock Exchange granted such further waiver on the condition that the Company would despatch the Circular on or before 2nd November 2004. The Business is conducted through the Sold Companies in various overseas jurisdictions, including the United States of America, Germany, Belgium, The Netherlands, France, United Kingdom, Malaysia, Singapore and Thailand. Additional time is required by the Company and its auditors to reply to the comments from the Stock Exchange on the draft Circular. Accordingly, there is a further delay in the despatch of the Circular. In view of the additional time required, the Company has applied to the Stock Exchange for a further waiver of strict compliance with Rule 14.38 of the Listing Rules and a further extension of the deadline for despatch of the Circular from 2nd November 2004 to 23rd November 2004.

As at the date of this announcement, the Board comprises five Group executive Directors, namely, Mr. Horst Julius Pudwill (Chairman and Chief Executive Officer), Mr. Roy Chi Ping Chung (Managing Director), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Dr. Akio Urakami, one non-executive Director, namely, Mr. Vincent Ting Kau Cheung and three independent non-executive Directors, namely, Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley and Mr. Manfred Kuhlmann.

By Order of the Board of
Techtronic Industries Company Limited
Chi Chung Chan
Company Secretary

Hong Kong, 1st November 2004

Wise Buyers and Sellers

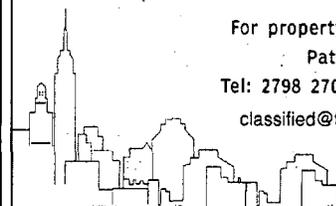
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The Standard

41	OAT/GOT/1208/04	D-3669	Class III article (obscene)	76	OAT/GOT/1243/04	Kaori Wakaba	Class II article (indecent)
42	OAT/GOT/1209/04	D-3659	Class III article (obscene)	77	OAT/GOT/1244/04	綺麗の女	Class III article (obscene)
43	OAT/GOT/1210/04	NASTY AS I WANNA BE	Class III article (obscene)	78	OAT/GOT/1245/04	Czech Whores	Class III article (obscene)
44	OAT/GOT/1211/04	WKD3758	Class III article (obscene)	79	OAT/GOT/1246/04	Slumber party 18	Class III article (obscene)
45	OAT/GOT/1212/04	DB-320	Class II article (indecent)	80	OAT/GOT/1247/04	POV pervert #3	Class III article (obscene)
46	OAT/GOT/1213/04	DB-167	Class II article (indecent)	81	OAT/GOT/1248/04	エツちな妖精	Class III article (obscene)
47	OAT/GOT/1214/04	NO-6118	Class III article (obscene)	82	OAT/GOT/1249/04	恥悦少女 XIII	Class III article (obscene)
48	OAT/GOT/1215/04	ALL YOU NEED IS SEED AND GUM PART 7	Class III article (obscene)	83	OAT/GOT/1250/04	HUSTLER CASTING COUCH	Class III article (obscene)
49	OAT/GOT/1216/04	flower	Class III article (obscene)	84	OAT/GOT/1251/04	A2M#3 (The Art of Ass to Mouth)	Class III article (obscene)
50	OAT/GOT/1217/04	GORGEOUS BODY	Class II article (indecent)	85	OAT/GOT/1252/04	JUICY GIRL VOL.15	Class II article (indecent)
51	OAT/GOT/1218/04	7682	Class II article (indecent)	86	OAT/GOT/1253/04	BIG NATURAL TITS 11	Class III article (obscene)
52	OAT/GOT/1219/04	7661	Class III article (obscene)	87	OAT/GOT/1254/04	Chica Boom 26	Class III article (obscene)
53	OAT/GOT/1220/04	7931	Class II article (indecent)	88	OAT/GOT/1255/04	THE EVIL EMPIRE	Class III article (obscene)
54	OAT/GOT/1221/04	6020	Class II article (indecent)	89	OAT/GOT/1256/04	girl+girl No.7	Class III article (obscene)
55	OAT/GOT/1222/04	DEEP INSIDE HOLE	Class III article (obscene)	90	OAT/GOT/1257/04	PETER NORTH'S ANAL ADDICTS VOL.14	Class III article (obscene)
56	OAT/GOT/1223/04	あゝご主人様	Class III article (obscene)	91	OAT/GOT/1258/04	THE BLACK AND THE BLONDE VOL.3	Class III article (obscene)
57	OAT/GOT/1224/04	Jules Jordan : Feeding Frenzy 4	Class III article (obscene)	92	OAT/GOT/1259/04	Hardcore Lesbian	Class II article (indecent)
58	OAT/GOT/1225/04	Ran Muto SPECIAL EDITION	Class III article (obscene)	93	OAT/GOT/1260/04	Fetish Lesbian	Class III article (obscene)
59	OAT/GOT/1226/04	TGIRL Vol.4	Class III article (obscene)	94	OAT/GOT/1261/04	AROUSED	Class II article (indecent)
60	OAT/GOT/1227/04	Don't Tie Us Up!	Class II article (indecent)	95	OAT/GOT/1262/04	ARIA	Class II article (indecent)
61	OAT/GOT/1228/04	義母の M 汁	Class III article (obscene)	96	OAT/GOT/1263/04	RUB THE MUFF	Class II article (indecent)
62	OAT/GOT/1229/04	母子相姦	Class II article (indecent)	97	OAT/GOT/1264/04	TOKYO BIG BUST VOL.1	Class III article (obscene)
63	OAT/GOT/1230/04	Slim Beauty	Class III article (obscene)	98	OAT/GOT/1265/04	MIZORE	Class III article (obscene)
64	OAT/GOT/1231/04	若妻白書なおみ	Class III article (obscene)	99	OAT/GOT/1266/04	JAPANESE SUPER IDOLS VOL.13	Class III article (obscene)
65	OAT/GOT/1232/04	FBD4-04017	Class II article (indecent)	100	OAT/GOT/1267/04	Bathroom 3	Class III article (obscene)
66	OAT/GOT/1233/04	プレイボノイカテイ	Class III article (obscene)	101	OAT/GOT/1268/04	LUSH GIRLS GO CRAZY	Class III article (obscene)
67	OAT/GOT/1234/04	JAPANESE SUPER IDOLS Vol.23	Class III article (obscene)	102	OAT/GOT/1269/04	ペルソナ	Class II article (indecent)
68	OAT/GOT/1235/04	JAPANESE SUPER IDOLS Vol.20	Class III article (obscene)	103	OAT/GOT/1270/04	爆乳痴女 (MHD-004)	Class II article (indecent)
69	OAT/GOT/1236/04	TRANSX # 7	Class III article (obscene)	104	OAT/GOT/1271/04	Rui Hayama (FBD4-05035)	Class II article (indecent)
70	OAT/GOT/1237/04	BORDER HOPPERS	Class III article (obscene)	105	OAT/GOT/1272/04	SEX じかけのフェロモン	Class II article (indecent)
71	OAT/GOT/1238/04	I know you're watching #3	Class III article (obscene)				
72	OAT/GOT/1239/04	Service Animals 17	Class III article (obscene)				
73	OAT/GOT/1240/04	BLACK CUM'N WHITE GIRLS 2 (G1188)	Class III article (obscene)				
74	OAT/GOT/1241/04	TIGHT & ASIAN 5 (DVD228)	Class III article (obscene)				
75	OAT/GOT/1242/04	美熟女 D-4333	Class II article (indecent)				

Andrew HO
for Registrar, High Court

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, 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.



Techtronic Industries Co. Ltd.
(Incorporated in Hong Kong with limited liability)
(Stock Code : 669)

**ANNOUNCEMENT
FURTHER DELAY IN DESPATCH OF THE CIRCULAR**

The Company has applied to the Stock Exchange for a further extension of the deadline for despatch of the Circular from 12th October 2004 to 2nd November 2004.

Terms used in this announcement shall have the same meaning as defined in the announcement made by the Company dated 30th August 2004 and the announcement made by the Company dated 20th September 2004 (the "Second Announcement") unless the context otherwise requires.

Reference is made to the Second Announcement in which it was mentioned that the Company had applied to the Stock Exchange for a waiver of strict compliance with Rule 14.38 of the Listing Rules and an extension of the deadline for despatch of the Circular from 21st September 2004 to 12th October 2004. On 22nd September 2004, the Stock Exchange granted such waiver on the condition that the Company would despatch the Circular on or before 12th October 2004. The Business is conducted through the Sold Companies in various overseas jurisdictions, including the United States of America, Germany, Belgium, The Netherlands, France, United Kingdom, Malaysia, Singapore and Thailand. Additional time is required by the Company and its auditors to obtain information from these overseas jurisdictions and compile certain information to meet the disclosure requirements required by the Listing Rules to be included in the Circular. The accounts of the Business are currently produced in accordance with Swedish GAAP and it will take the auditors time to prepare these figures for the Circular in accordance with IFRS. Accordingly, there is a delay in the despatch of the Circular. In view of the additional time required, the Company has applied to the Stock Exchange for a waiver of strict compliance with Rule 14.38 of the Listing Rules and a further extension of the deadline for despatch of the Circular from 12th October 2004 to 2nd November 2004.

As at the date of this announcement, the Board comprises five Group executive Directors, namely, Mr. Horst Julius Pudwill (Chairman and Chief Executive Officer), Mr. Roy Chi Ping Chung (Managing Director), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Dr. Aki Urakami, one non-executive director, namely, Mr. Vincent Ting Kau Cheung and three independent non-executive Directors, namely, Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley and Mr. Manfred Kuhlmann.

By Order of the Board of
Techtronic Industries Company Limited
Chi Chung Chan
Company Secretary

Hong Kong, 11th October 2004

申請會社酒牌續期啓事

CLUB EL CID

現特通告：ASPURIA CARMEN BAO-ILAN 其地址為香港灣仔軒尼斯道 344-354 號昌業大廈十八樓 348 號室現向酒牌局申請位於香港銅鑼灣謝斐道 460-462 號揚耀熾商業大廈五樓 A-D 室 CLUB EL CID 的會社酒牌續期。凡反對是項申請者，請於此公告登報之日起十四天內，將已簽署及申明理由之反對書，寄交香港灣仔軒尼詩道 225 號駱克道市政大廈 8 字樓酒牌局秘書收。

日期：二零零四年十月十二日

**APPLICATION FOR RENEWAL OF
CLUB LIQUOR LICENCE
CLUB EL CID**

Notice is hereby given that ASPURIA CARMEN BAO-ILAN of Room 348, 18/F, Cheong Ip Building, 344-354 Hennessy Road, Wanchai, Hong Kong is applying to the Liquor Licensing Board for renewal of the Club Liquor Licence in respect of CLUB EL CID at Flat A-D, 5/F, Yeung lu Chi Commercial Building, 460-462 Jaffe Road, Causeway Bay, Hong Kong. Any person who knows any reason why this renewal should not be granted should send a written and signed statement of the facts to the Secretary, Liquor Licensing Board, 8/F, Lockhart Road Municipal Services Building, 225 Hennessy Road, Wanchai, Hong Kong within 14 days from the date of this notice.

Date: 12th October 2004

0201184-175037



長者安居服務協會
Senior Citizen Home Safety Association

**INCOME AND EXPENDITURE ACCOUNT
OF FLAY DAY
ON 17 JULY 2004**

INCOME	HKS
Donation	1,600,179
LESS EXPENDITURE	
Cleaning fee	1,938
Flag day bag	12,100
Newspaper announcement	2,970
Postage	11,557
Production	15,150
Salary	18,100
Security	5,600
Stationery & photocopying	5,639
Sundries	7,297
Transportation	7,579
	87,930

SURPLUS 1,512,249

Certified by LUI & CHENG CPL LIMITED
(PSP No. FD/10/2004)

0201134-175037

Classified

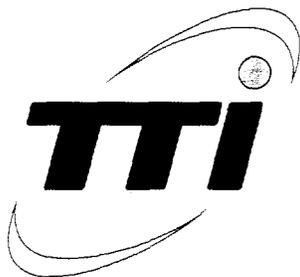
Patsy Leung Tel: 2798 2707 Isabelle Chan Tel: 2798 2785
Fax: 2798 2785

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in TECHTRONIC INDUSTRIES COMPANY LIMITED, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, 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.



Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 669)

MAJOR TRANSACTION

**PROPOSED ACQUISITION OF COMPANIES COMPRISING
THE MILWAUKEE®,
AEG® AND DREBO® ELECTRIC POWER TOOLS AND
ACCESSORIES BUSINESSES OF ATLAS COPCO AB**

Financial Adviser to the Company



A letter from the Board (as defined herein) is set out on pages 1 to 20 of this circular.

A notice convening an extraordinary general meeting of TECHTRONIC INDUSTRIES COMPANY LIMITED to be held at Harbour Room, 3rd Floor, The Ritz-Carlton, Hong Kong, 3 Connaught Road, Central, Hong Kong on 3rd January 2005 at 10:00 a.m. is set out on pages 133 to 134 of this circular. Whether or not you are able to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the registered office of TECHTRONIC INDUSTRIES COMPANY LIMITED at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting (as the case may be) should you so wish.

23rd November 2004

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DEFINITIONS

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

“ACNA”	Atlas Copco North America Inc., a Delaware corporation and a wholly-owned subsidiary of ATCO
“AET”	Atlas Copco Electric Tools GmbH, a company organised under the laws of Germany and currently a wholly-owned subsidiary of ATCO which, upon the closing of the Transaction, will become a wholly-owned subsidiary of the Company
“ATCO”	Atlas Copco AB, a company organised under the laws of Sweden and whose shares are listed on the Stockholm, London and Frankfurt stock exchanges
“ATHG”	Atlas Copco Holding GmbH, a company organised under the laws of Germany and a wholly-owned subsidiary of ATCO
“Board”	the board of Directors
“Business”	ATCO’s electric power tools and accessories businesses, currently conducted through METCO and AET and certain other ancillary entities of ATCO under the brand names “Milwaukee®”, “AEG®” and “DreBo®”
“Business Day”	any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in New York, US
“Company”	Techtronic Industries Company Limited, a public company limited by shares incorporated in Hong Kong, the Shares of which are listed on the Stock Exchange

DEFINITIONS

“Convertible Bonds”	the zero coupon convertible bonds due 2009 in the aggregate principal amount of US\$140,000,000 (being approximately HK\$1,092,000,000) issued by the Company
“Directors”	the directors of the Company
“DreBo”	DreBo Werkzeugfabrik GmbH, a company organised under the laws of Germany and currently a wholly-owned subsidiary of ATCO which, upon the closing of the Transaction, will become a wholly-owned subsidiary of the Company
“EGM”	the extraordinary general meeting of Shareholders convened by the Board to be held at Harbour Room, 3rd Floor, The Ritz-Carlton, Hong Kong, 3 Connaught Road, Central, Hong Kong on 3rd January 2005 at 10:00 a.m. (or any adjournment thereof), at which an ordinary resolution will be proposed and, if thought fit, passed to approve the Transaction
“Enlarged Group”	the Techtronic Group immediately after closing of the Transaction
“Euro”	Euro, the lawful currency of the European Union
“Existing Scheme”	the employee share option scheme adopted by the Company on 28th March 2002
“GAAP”	generally accepted accounting principles
“HKFRS”	Hong Kong Financial Reporting Standards
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards

DEFINITIONS

“Latest Practicable Date”	19th November 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information set out in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“METCO”	Milwaukee Electric Tool Corporation, a Delaware corporation and currently a wholly-owned subsidiary of ATCO which, upon the closing of the Transaction, will become a wholly-owned subsidiary of the Company
“Parties”	the parties to the Stock Purchase Agreement, being the Purchasers and Sellers
“PRC”	the People’s Republic of China (excluding for the purpose of this circular, Hong Kong, Macau and Taiwan)
“Purchasers”	the Company and the following direct and indirect subsidiaries of the Company: RTG, TTINA, TTI GmbH, Techtronic Industries Asia Holdings (BVI), Techtronic Industries NAFTA Holdings and A&M Industries S.a.r.l., and such other subsidiaries and entities as the Company may designate on or before the closing of the Transaction to acquire the Business or any part thereof
“RTG”	Ryobi Technologies GmbH, a company organised under the laws of Germany and a wholly-owned subsidiary of the Company
“SEK”	Swedish Krona, the lawful currency of Sweden
“Sellers”	ATCO, ACNA and ATHG

DEFINITIONS

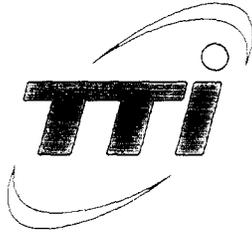
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Share Options”	the 74,451,000 outstanding options granted under the Existing Scheme and the Terminated Scheme entitling the holders thereof to subscribe for an aggregate of 74,451,000 new Shares
“Sold Companies”	the companies listed in Appendix V, including Esstar Incorporated (the holding company for METCO), AET, and DreBo, as well as related operating and holding companies which, together with their respective subsidiaries, together comprise the Business
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stock Purchase Agreement”	the conditional stock purchase agreement, dated 28th August 2004, made between the Sellers and the Purchasers relating to the Transaction
“Techtronic Group”	the Company and its subsidiaries
“Terminated Scheme”	the employee share option scheme adopted by the Company on 25th May 2001 and terminated on 28th March 2002
“Transaction”	the proposed acquisition by the Purchasers of all the issued and outstanding shares of each of the Sold Companies from the Sellers pursuant to the Stock Purchase Agreement

DEFINITIONS

“TTINA”	Techtronic Industries North America, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company
“UBS Investment Bank”	UBS AG, Hong Kong Branch, a corporation deemed to be registered under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO, and the financial adviser to the Company in respect of the Transaction
“US\$”	US dollars, the lawful currency of the US
“US”	United States of America

Unless otherwise specified, where financial information in this circular has been converted into Hong Kong dollars, it has been converted at the exchange rates set out below, being the exchange rates prevailing on 27th August 2004. Such conversions have been made solely for the convenience of readers and should not be construed as a representation that such amounts have been, could have been or could be converted into Hong Kong dollars at such rates or any other rates or at all.

US\$1.00 : HK\$7.7997
SEK1.00 : HK\$1.0270



Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 669)

Group Executive Directors:

Mr Horst Julius Pudwill
(Chairman and Chief Executive Officer)
Mr Roy Chi Ping Chung
(Managing Director)
Mr Kin Wah Chan
Mr Chi Chung Chan
Dr Akio Urakami

Registered office:

24th Floor
CDW Building
388 Castle Peak Road
Tsuen Wan
New Territories
Hong Kong

23rd November 2004

Non-executive Director:

Mr Vincent Ting Kau Cheung

Independent Non-executive Directors:

Mr Joel Arthur Schleicher
Mr Christopher Patrick Langley
Mr Manfred Kuhlmann

*To the Shareholders and for information only,
to the holders of the Share Options and the Convertible Bonds:*

Dear Sir or Madam,

MAJOR TRANSACTION

**Proposed acquisition of companies comprising
the Milwaukee[®],
AEG[®] and DreBo[®] electric power tools and
accessories businesses of Atlas Copco AB**

A. INTRODUCTION

On 30th August 2004, the Board announced that the Company had on 28th August 2004 entered into the Stock Purchase Agreement to purchase from the Sellers all the issued and outstanding shares of the Sold Companies, which together comprise ATCO's electric power tools and accessories businesses, currently conducted under the brand names "Milwaukee[®]", "AEG[®]" and "DreBo[®]".

LETTER FROM THE BOARD

On 20th September 2004, 11th October 2004 and 1st November 2004, the Company announced that as additional time was required to obtain and compile certain information, including the accountants' report on the Business which is prepared under IFRS to meet the disclosure requirements required by the Listing Rules to be included in this circular, there would be delays in the despatch of this circular.

The Transaction constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and will therefore require the approval of Shareholders at the EGM.

The purpose of this circular is to provide you with further information relating to the Transaction, the Company, the Business and the Enlarged Group, and to give you notice of the EGM at which an ordinary resolution will be proposed and, if thought fit, passed to approve the Transaction.

B. STOCK PURCHASE AGREEMENT

Set out below is a summary of the principal terms of the Stock Purchase Agreement.

1. Date

The date of the Stock Purchase Agreement is 28th August 2004.

2. Parties

- (a) ATCO, ACNA and ATHG as Sellers; and
- (b) the Company and the following direct and indirect subsidiaries of the Company: RTG, TTINA, TTI GmbH, Techtronic Industries Asia Holdings (BVI), Techtronic Industries NAFTA Holdings and A&M Industries S.a.r.l., and such other subsidiaries and entities as the Company may designate on or before the closing of the Transaction to acquire the Business or any part thereof, as Purchasers.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Sellers and their ultimate beneficial owners are independent of the Company and with each of the Directors, chief executive or substantial shareholders of the Company and its subsidiaries, and each of their respective associates (as defined in the Listing Rules).

3. Assets to be acquired

The Purchasers will acquire all the issued and outstanding shares of the Sold Companies from the Sellers. Further information on the Sold Companies is set out in Appendix V to this circular.

LETTER FROM THE BOARD

4. Purchase price

The purchase price for the Business, which will be paid in cash at the closing of the Transaction, is US\$626.6 million (being approximately HK\$4,887.3 million) (consisting of the pre-adjustment purchase price of US\$712.8 million (being approximately HK\$5,559.6 million), reduced by an agreed pre-closing adjustment of US\$86.2 million (being approximately HK\$672.3 million) in respect of a portion of the accrued and unfunded post-retirement liabilities of certain of the Sold Companies and adjustments with respect to related deferred asset accounts and to certain accruals). The purchase price is calculated on the basis of the Sold Companies having no indebtedness or cash and its net tangible assets (excluding, among other things, cash and amounts in respect of pre-agreed adjustments) being US\$285.0 million (being approximately HK\$2,222.9 million). If the net tangible assets of the Business as shown in such agreed closing statements are less than US\$285.0 million (being approximately HK\$2,222.9 million), the purchase price will be reduced by the amount of the shortfall. If the net tangible assets of the Business as shown in such agreed closing statements are greater than US\$285.0 million (being approximately HK\$2,222.9 million), the purchase price will be increased by the amount of such excess. The net tangible assets of the Business, prepared in accordance with IFRS, as at 30th June 2004 was US\$292.0 million (being approximately HK\$2,277.5 million). Within 90 days of the closing of the Transaction, the Purchaser will prepare (in accordance with Swedish GAAP) a final closing statement for the Business. Once the final closing statement has been agreed between the Parties (or by an internationally recognised firm of independent public accountants if agreement is not reached within the specified time period), any necessary adjustment to the purchase price shall be paid within three Business Days after the delivery of the final closing statement. In addition, within five Business Days after the closing of the Transaction, the Purchasers will reimburse the Sellers on a dollar-for-dollar basis, for the amount of cash actually included in the Business at closing, an amount which is not expected to exceed US\$37.0 million (being approximately HK\$288.6 million).

The purchase price for the Business has been determined after arm's length negotiations based on various factors including the global market presence, well established and widely recognised brands, earnings potential and growth prospects of the Business. The Directors believe that the terms of the Transaction are fair and reasonable and in the interest of Shareholders as a whole.

The Company will satisfy the purchase price for the Transaction from internal resources and bank borrowings available to it.

5. Conditions

The Stock Purchase Agreement is subject to the satisfaction or waiver of the following conditions (among others):

- (a) neither the Purchasers nor the Sellers having breached any of their respective representations, warranties or covenants, except for such breaches of representations and warranties and covenants that, in the aggregate, are not reasonably likely to have a material adverse effect on the Business;

LETTER FROM THE BOARD

- (b) relevant US and German anti-trust approvals having been obtained or the applicable waiting periods having expired or terminated;
- (c) the Shareholders having approved the Transaction in accordance with the requirements of the Listing Rules; and
- (d) the Sellers having paid in full all indebtedness outstanding on the date and shall have obtained a release of all related encumbrances, if any, except to the extent such indebtedness is continued by agreement of the Parties and reflected in the purchase price.

As at the Latest Practicable Date, condition (b) above had been fulfilled.

6. Break fee

In light of the costs and expenses incurred by ATCO in negotiating the Transaction and the potential damage to its reputation if the Transaction does not proceed, the Company has agreed that, in the event the Shareholders do not approve the Transaction at the EGM, and the Stock Purchase Agreement has not been previously terminated in accordance with its terms, the Company shall pay to ATCO a break fee of US\$20.0 million (representing approximately 3.2% of the purchase price of the Business) within three Business Days of the EGM. The Directors confirm that such break fee is fair and reasonable, and the Company will make an appropriate announcement regarding the payment of a break fee, if applicable.

7. Termination

The Stock Purchase Agreement may be terminated:

- (a) at any time by mutual written consent of the Company and ATCO; or
- (b) by the Company or ATCO after 31st March 2005 (or such later date as may be agreed in writing between them), if the Transaction is not consummated on or before such date; provided that a party may not terminate the Stock Purchase Agreement if the failure of such consummation is due to the failure of the party wishing to terminate to comply in all material respects with its agreements and covenants contained therein; or
- (c) by the Company, if any Sellers shall breach in any respect any of its representations, warranties or obligations under the Stock Purchase Agreement that would constitute a failure of the conditions to the obligations of the Company thereunder and such breach shall not have been timely cured; or
- (d) by the Company, if (i) a material adverse effect on the Business has occurred or (ii) any other event or condition has occurred that would prevent fulfilment of the conditions to the Company's obligations thereunder; or

LETTER FROM THE BOARD

- (e) by ATCO, if any Purchasers shall breach in any respect any of its representations, warranties or obligations that would constitute a failure of the conditions to its obligations and such breach shall not have been cured in all material respects or if the Company shall breach other specified obligations thereunder.

8. Closing

Closing of the Transaction is expected to take place at 10:00 a.m. (New York time) on and as of the last Business Day of the month in which all conditions have been either satisfied or waived, or at such other time and place as the Purchasers and the Sellers shall agree.

Closing of the Transaction is expected to take place on or before 31st March 2005.

C. INFORMATION ABOUT THE BUSINESS

1. Description of the Business

METCO is a leading producer and seller of heavy-duty portable electric tools and accessories. It designs and sells over 400 different tool models ranging from drills, Sawzall® brand reciprocating saws, circular saws, grinders and hammers to tools designed for specific applications such as diamond drill rigs and Steel Hawg® cutting systems, as well as over 3,500 accessory products. Most of METCO's products are marketed under the well-established and widely recognized Milwaukee® brand. End users of METCO's products are primarily professional tradesmen, including electricians, plumbers, mechanical contractors, general contractors, metal fabricators, HVAC/sheet metal installers and fabricators, maintenance repair operation professionals, and municipal and utility workers. METCO's geographical focus has historically been North America, but during 2001 and 2002 it launched the Milwaukee® brand in Australia and Europe.

AET is located in Winnenden near Stuttgart, Germany and is responsible for developing, manufacturing and distributing high-quality handheld power tools and accessories under the AEG® and Milwaukee® brands. AET's products are marketed through sales companies in Europe, Asia, Australia and South Africa, and are used primarily by professional tradesmen.

AET's sister company, DreBo, is a leading producer of rotary carbide tipped drill bits for concrete, masonry and stone. DreBo® products are delivered globally to original equipment manufacturers of power tools, accessories and fasteners, and to various industrial and hardware distributors, all of which sell such products under their respective house brands. The products are eventually used by construction companies, stone fixing companies and the fastening industry.

LETTER FROM THE BOARD

2. Business and financial review

Paragraph 2 of Appendix 16 to the Listing Rules requires that each set of financial statements presented in a circular shall provide a true and fair view of the state of affairs of the business, company or companies being acquired by a listed issuer and of the results of its operations and its cashflows and shall include, at a minimum, the following components:

- (1) balance sheet;
- (2) income statement;
- (3) cashflow statement;
- (4) statement of change in equity;
- (5) comparative figures for the statements referred to in (1) to (4) above inclusive for the corresponding previous period; and
- (6) accounting policies and explanatory note.

The accountants' report for the Business as set out in Appendix III to this circular covers the three years ended 31st December 2003 and the six months ended 30th June 2004. In other words, paragraph 2(5) of Appendix 16 to the Listing Rules will require the inclusion of comparative figures for the Business for the six months ended 30th June 2003 (the "Comparative Figures") in this circular.

The Business is operated through 32 units which are situated around the world and only 10 of these units are separate legal entities which are solely related to the operation of the Business. The remaining 22 units form part of the other ATCO group companies. The Company has been advised by ATCO that the management accounts in any of these 22 units are not prepared specifically in relation to the Business. Therefore, the preparation of the Comparative Figures will require such information to be created and collected as a separate exercise for these units. Moreover, information required to be disclosed in note format to the accounts of the Business is not required to be prepared for interim periods under Swedish accounting standards and has not therefore been prepared by the Business. As this information is generally only available for the separate legal entities it will be extremely difficult to prepare such disclosures in note format for the other units. The preparation of the Comparative Figures will involve extensive coordination and involvement of a significant number of ATCO staff around the world and the collection of information previously not created or recorded which would be an unduly burdensome task for ATCO. ATCO is not certain that all of the information required for the Comparative Figures is available because sixteen months have passed since 30th June 2003. Accordingly, the Company has applied for a waiver in relation to the requirement of paragraph 2(5) of the Appendix 16 to the Listing Rules to include the Comparative Figures.

LETTER FROM THE BOARD

The following table shows the audited consolidated turnover and profits of the Business for the three years ended 31st December 2003, and the six months ended 30th June 2004 extracted from the accountants' report as set out in Appendix III:

	Year ended 31st December			Six months
	2001	2002	2003	ended
	US\$ Million	US\$ Million	US\$ Million	30th June 2004
Turnover	644.7	664.5	692.7	US\$ Million 352.0
Profit before taxation	24.8	26.3	29.7	19.8
Net profit for the year/period	11.8	11.7	13.0	10.6

The accountants' report on the Business as set out in Appendix III has been prepared in accordance with IFRS. The Directors believe that there are no significant differences in the accountants' report on the Business as prepared under IFRS and under HKFRS.

(a) **Six months ended 30th June 2004**

Market Review

The North American market showed stronger growth in early 2004, driven by an improving US economic environment, with particularly strong growth in the industrial distributor and hardware channels. In Europe, the market conditions remained muted, although initial signs of market recovery were visible in some European markets.

Sales

Reported sales in the six months ended 30th June 2004 were US\$352.0 million, which represented an increase over the same period in the previous year due to an increase in total volumes, favourable exchange rate movements, the DreBo acquisition and growth in accessories sales.

The Business' North American operations showed strong growth in the industrial distributor and hardware channels, while the home center channel continued to lag primarily due to lower sales to the Home Depot. In Europe, some markets showed initial signs of economic recovery and the Business won a major new contract as prime supplier to a pan-European industrial distributor. The increase in sales was also partially the result of the contribution of DreBo for the full six months ended 30th June 2004 compared to only three months in the same period in 2003. Furthermore, DreBo sales in the three month period ended 30th June 2004 rose in comparison to the equivalent period in 2003.

LETTER FROM THE BOARD

Gross Profit

Gross profit, after cost of goods sold, was US\$106.8 million in the six months ended 30th June 2004 (equivalent to a gross profit margin of approximately 30.3%). This represented an increase in absolute dollar and gross margin terms over the same period in the previous year, which was the result of higher invoicing volume, the acquisition of DreBo in April 2003, higher factory capacity utilization and efficiency gains. The latter was partially due to the contribution from the new Czech assembly plant where costs are substantially lower than in the German facilities.

To improve operational efficiency, the Business has continued its strategy of shifting production capacity to low cost manufacturing countries and in January 2004, tool assembly commenced in Mexico. Sourcing of components is also continuously optimized and increasingly done in low cost countries.

Marketing Expenses

Marketing expenses totalled US\$44.2 million in the six months ended 30th June 2004, representing an increase over the same period in the previous year. The increase was primarily driven by unfavourable exchange rate movements and ongoing marketing activities in Europe supporting both the Milwaukee® and AEG® brands.

Administrative Expenses

Administrative expenses totalled US\$21.7 million in the six months ended 30th June 2004, representing an increase over the same period in the previous year. The increase was primarily due to unfavourable exchange rate movements (which increased the administrative expenses by approximately 5%), the acquisition of DreBo and costs associated with implementing the Standard Accounting Program system.

Research and Development Costs

Research and development costs amounted to US\$11.1 million in the six months ended 30th June 2004, representing an increase over the same period in the previous year. The Business has continued its focus on the development of new and improved cordless products, including improved batteries, to address the growing need for more powerful cordless tools.

Goodwill Amortisation

Amortisation of goodwill amounted to US\$6.7 million in the six months ended 30th June 2004, representing an increase over the same period in the previous year. This was due to the acquisition of DreBo in April 2003 and the resulting amortisation of goodwill for the full six months ended 30th June 2004 compared to only three months for the six months ended 30th June 2003.

LETTER FROM THE BOARD

Other Income and Expenses from Operations

Other operating income and expenses comprised mainly operating exchange differences and capital gains/losses on disposal of fixed assets. In the six months ended 30th June 2004, other income from operations amounted to US\$0.3 million.

Operating Profit

Operating profit was US\$23.4 million (or approximately 6.6% of turnover) in the six months ended 30th June 2004, representing an increase in absolute dollar and operating margin terms over the same period in the previous year. The increase in operating profit margin was primarily due to the increase in gross profit margin.

Financial Income and Expenses

Net financial expenses amounted to US\$3.6 million in the six months ended 30th June 2004.

Taxes

Charges for taxes amounted to US\$9.2 million in the six months ended 30th June 2004. This represents an increase over the same period in the previous year, reflecting the substantial improvement in profits.

Net Profit

Net profit amounted to US\$10.6 million in the six months ended 30th June 2004.

(b) Year ended 31st December 2003 compared to year ended 31st December 2002

Market Review

North American demand for professional electric tools weakened in the latter part of 2002 and remained weak in the first half of 2003. The latter part of 2003 showed some recovery. In Europe, demand deteriorated for the third consecutive year, especially in Germany and the Nordic region. Overall, demand for cordless battery tools improved in comparison to the demand for corded tools.

Sales

Turnover in 2003 was US\$692.7 million, an increase of approximately 4% compared to US\$664.5 million in 2002. Exchange rate movements, principally the depreciation of US dollars against Euro, and the acquisition of DreBo in April 2003, offset a decrease in underlying turnover.

LETTER FROM THE BOARD

The weakening of the US dollars did, in particular, impact the sales contribution from the Asian markets where Euro based production costs were at a disadvantage compared to production costs in US dollars or other currencies tied to US dollars. Home Centers in the US were generally overstocked in the beginning of 2003 and inventory adjustments had an adverse effect on sales for the Business in the first quarter of 2003. The sales in Europe were impacted by the price repositioning of the AEG® brand, including deliberately exiting certain Home Center business. The decrease in sales in local currency in the European operations was more than offset by the acquisition of DreBo in April 2003, and the accessories business continued to develop positively during 2003.

Gross Profit

Gross profit, after cost of goods sold, was US\$189.0 million for fiscal year 2003, (equivalent to a gross profit margin of approximately 27.3%), compared to US\$177.0 million in fiscal year 2002 (equivalent to a gross profit margin of approximately 26.6%). To structurally improve operational efficiency, the Business continued its strategy of shifting production capacity and sourcing to lower cost countries. During 2003, the majority of the German assembly operations were relocated to the Czech Republic, for which a restructuring charge was reflected in the 2002 accounts. The restructuring cost associated with the new assembly plant in Mexico was reflected in the 2003 accounts. The negative effect from lower sales volumes was partially offset by cost reductions and higher than average margins on the acquired DreBo products.

Marketing Expense

Marketing expenses totalled US\$80.7 million in fiscal year 2003 compared to US\$77.8 million in 2002, representing an increase of approximately 3.7%, largely as a result of unfavourable exchange rate movements.

Administrative Expenses

Administrative expenses totalled US\$40.1 million in fiscal year 2003 compared to US\$33.6 million in 2002, representing an increase of approximately 19.3% largely as a result of unfavourable exchange rate movements, the acquisition of DreBo and cost of SAP implementation.

Research and Development Cost

Research and development costs amounted to US\$20.2 million in fiscal year 2003 compared to US\$21.0 million in fiscal year 2002. Spending on research and development was not scaled back despite the relative softening of the market in 2003.

The Business prioritized development of new and improved cordless products, including improved batteries, to address the growing need for more powerful cordless tools. The Business extended the range of both corded and cordless tools. A cordless impact wrench and a series of cordless drills were introduced as well as a corded reciprocating saw with a pivoting handle and a metal-cutting circular saw.

LETTER FROM THE BOARD

Goodwill Amortisation

Amortisation of goodwill amounted to US\$12.6 million in fiscal year 2003 compared to US\$11.0 million during the same period in 2002, representing an increase of approximately 14.5%. The increase of goodwill amortization in 2003 is related to the acquisition of DreBo in April 2003.

Other income and expenses from operations

Other operating income amounted to US\$0.9 million in fiscal year 2003, up from other operating expenses of US\$2.3 million during 2002.

Operating Profit

Operating profit was US\$36.3 million (or approximately 5.2% of turnover) for fiscal year 2003, representing an increase of approximately 16.0%, or US\$5.0 million, as compared to US\$31.3 million (or approximately 4.7% of turnover) for fiscal year 2002. The increase in profit margin by 0.5% was primarily due to lower restructuring charges in 2003 compared with 2002.

Financial Income and Expenses

Net financial expenses increased to US\$6.6 million in the year ended 31st December 2003 from US\$5.0 million in the year ended 31st December 2002, representing an increase of approximately 32.0%. The increase was primarily due to the financing of the DreBo acquisition.

Taxes

Tax expense increased to US\$16.7 million in the year ended 31st December 2003 from US\$14.6 million in the year ended 31st December 2002.

Net Profit

Net profit increased to US\$13.0 million in the year ended 31st December 2003 from US\$11.7 million in the year ended 31st December 2002, representing an increase of approximately 11.1%.

(c) **Year ended 31st December 2002 compared to year ended 31st December 2001**

Market Review

Residential construction activity increased somewhat in 2002 compared to the previous year in the North American market and demand for professional electric tools improved accordingly. A slowdown was, however, noticed at the end of the year. In Europe, particularly in Germany, demand was weak.

LETTER FROM THE BOARD

Sales

Turnover in 2002 was US\$664.5 million, an increase of approximately 3.1% compared to US\$644.7 million in 2001, reflecting volume and price increases offset by unfavourable exchange rate movements.

The volume growth was primarily driven by a relatively strong North American market, with accessories and ancillary products contributing significantly to this growth. The North American growth pattern was relatively similar in both Home Centers and the traditional channels. The European operations suffered from weak demand from the residential construction market in Central Europe. Following the European introduction of the Milwaukee® brand and the price re-positioning of the AEG® brand, the Business managed to increase overall European prices. The new product mix, with more Milwaukee® branded tools, increased revenues further.

Gross Profit

Gross profit, after cost of goods sold, was US\$177.0 million for fiscal year 2002 (equivalent to a gross profit margin of approximately 26.6%), compared to US\$169.4 million in fiscal year 2001 (equivalent to a gross profit margin of approximately 26.3%). The gross profit in 2002 reflects the restructuring charge associated with the relocation of the majority of the Business' European assembly operations from Germany to the Czech Republic. A similar restructuring charge for a change in the manufacturing structure in the US was included in the 2001 accounts. The improvement in profit margin, before restructuring charges, was primarily driven by the North American operations, where a more favourable product mix with higher sales of accessories made a significant contribution together with increased production capacity utilization.

Marketing Expense

Marketing expenses totalled US\$77.8 million in fiscal year 2002 compared to US\$70.2 million in 2001, representing an increase of approximately 10.8%. The increase was primarily driven by marketing initiatives supporting the introduction of the Milwaukee® brand in Europe and the repositioning of the AEG® brand.

Administrative Expenses

Administrative expenses totalled US\$33.6 million in fiscal year 2002 compared to US\$34.1 million in 2001, representing a decrease of approximately 1.5%.

Research and Development Cost

Research and development costs amounted to US\$21.0 million in 2002 compared to US\$21.5 million in 2001, reflecting a continued, stable commitment to product development.

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Goodwill Amortisation

Amortisation of goodwill amounted to US\$11.0 million in fiscal year 2002, unchanged from 2001.

Other income and expenses from operations

Other income and operating expense amounted to negative US\$2.3 million in fiscal year 2002, compared with negative US\$0.5 million during 2001.

Operating Profit

Operating profit was US\$31.3 million (or approximately 4.7% of turnover) for fiscal year 2002, representing a decrease of approximately 2.5%, or US\$0.8 million, as compared to US\$32.1 million (or approximately 5.0% of turnover) for fiscal year 2001. This reflects the differences in restructuring charges and marketing costs for the two years, which offset the effect of the increase in sales in the North American market.

Financial Income and Expenses

Net financial expenses decreased to US\$5.0 million in the year ended 31st December 2002 from US\$7.3 million in the year ended 31st December 2001, partly due to lower interest rates.

Taxes

Tax expense increased to US\$14.6 million in the year ended 31st December 2002 from US\$13.0 million in 2001.

Net Profit

Net profit decreased to US\$11.7 million in the in the year ended 31st December 2002 from US\$11.8 million in the year ended 31st December 2001, representing a decrease of approximately 0.8%.

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(d) **Liquidity and Financial Resources**

Historically, the Business' principal sources of funds have been cash flow from operating activities and financing from central ATCO resources. Changes in the Business' working capital are typically directly correlated with changes in the Business' sales volume. The Business' principal uses of funds are acquisitions and investments.

Cash Flow from Operations

Cash flow from operations was US\$18.3 million for the six months ended 30th June 2004. Working capital increased by US\$10.9 million largely as a result of the building up of inventory at the production facilities in Europe in preparation for peak shipment periods expected in the second half of 2004. Second half sales are seasonally stronger than the first half of each year.

Cash flow from operations in 2003 was US\$75.5 million. Working capital was reduced by US\$21.4 million largely as a result of continued inventory management and reduction of customer returns in North America. In Europe, inventory was reduced following the reversal of temporary inventory build-up due to the relocation of assembly operations from Germany to the Czech Republic.

Cash flow from operations in 2002 was US\$37.5 million. Working capital increased by US\$7.0 million largely as a result of inventories increasing rapidly at year end, when the North American market softened surprisingly and substantially during the last two months of the year. In Europe, the inventory increased due to relocation of assembly operations to the Czech Republic.

Cash flow from operations in 2001 was US\$62.4 million. Working capital decreased by US\$16.3 million as a result of the reduction in sales.

Cash Flow from Investments

Cash flow from investments was an outflow which amounted to US\$10.8 million for the six month period ended 30th June 2004. Significant investments included improvements in the facility in Milwaukee, CNC machinery and tooling for a sawblade manufacturing line.

Cash flow from investments in fiscal year 2003 was an outflow which amounted to US\$86.2 million. In 2003, ATCO acquired DreBo for US\$61.6 million. Investments in property and machinery amounted to US\$21.4 million in 2003, where the Business invested in the Milwaukee building, battery products and CNC machinery.

Cash flow from investments in fiscal year 2002 was an outflow which amounted to US\$20.6 million. In 2002, the Business continued its investments from 2001 in automated saw blade lines and heat treatment systems relating to Sawzalls[®], hole saws and band saw blades.

Cash flow from investments in fiscal year 2001 was an outflow which amounted to US\$18.5 million. An investment was made during the year in automated saw blade lines.

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Cash Flow from Financing

Cash flow from financing was an outflow of US\$7.1 million for the six month period ended 30th June 2004 as the positive operating cash flow was used to reduce the negative balance in ATCO's group cash pool (an intercompany overdraft facility with holding companies in the ATCO group).

Cash flow from financing in fiscal year 2003 was US\$10.9 million. The Business increased the negative balance in ATCO's group cash pool as a consequence of the DreBo acquisition.

Cash flow from financing in fiscal year 2002 was an outflow of US\$16.8 million as the positive operating cash flow was used to reduce the negative balance in ATCO's group cash pool.

Cash flow from financing in fiscal year 2001 was an outflow of US\$45.0 million as the large positive operating cash flow was used to reduce the negative balance in ATCO's group cash pool.

The negative balance in ATCO's group cash pool at the beginning of each period is due to the payment of dividends, usually in the second half of the year.

Gearing Ratio

For the three years ended 31st December 2003 and the six months ended 30th June 2004, the gearing ratio, which is calculated by dividing bank borrowings, ATCO's group cash pool borrowings, finance lease payables, and pensions and similar commitments by equity, stood at approximately 28.8%, 30.0%, 38.3% and 37.5%, respectively. The increase in the gearing ratio from 2003 stems from the financing of the DreBo acquisition in April 2003.

Working Capital Analysis

For the three years ended 31st December 2003 and the six months ended 30th June 2004, inventory stood at US\$100.1 million, US\$126.9 million, US\$118.7 million and US\$125.0 million, respectively.

For the three years ended 31st December 2003 and the six months ended 30th June 2004, trade receivables stood at US\$103.0 million, US\$108.3 million, US\$115.9 million and US\$119.3 million, respectively.

For the three years ended 31st December 2003 and the six months ended 30th June 2004, trade payables stood at US\$31.7 million, US\$35.5 million, US\$29.9 million and US\$39.7 million, respectively.

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Capital Structure

As at 30th June 2004, the Business had net assets of US\$551.8 million, comprising non-current assets of US\$571.2 million, current assets of US\$327.8 million, non-current liabilities of US\$52.0 million and current liabilities of US\$295.2 million.

Others

As at 30th June 2004, the Business did not have any significant investments or charges on business assets. As at 30th June 2004, the Business had contingent liabilities of US\$0.3 million arising primarily from sureties. In addition, the Business is involved in legal cases related to patent infringements, brand marketing and product liabilities. The Business' management believes the outcome of these legal cases will not have any significant adverse financial effect on the Business.

D. INFORMATION ABOUT ATCO

ATCO is the parent company of a global industrial group of companies headquartered in Stockholm, Sweden. In 2003, it had revenues of SEK 44.6 billion (being approximately HK\$45.8 billion), with 98 percent of revenues outside Sweden, and close to 26,000 employees. ATCO develops, manufactures and markets electric and pneumatic tools, compressed air equipment and generators, construction and mining equipment, and assembly systems, and offers related service and equipment rental. More information is available on www.atlascopco-group.com. (The information that appears on that website does not form part of this circular.)

E. INFORMATION ABOUT THE COMPANY

Founded in 1985, the Company is a leading and fast-growing supplier of home improvement products, employing approximately 16,300 people worldwide. The Company's global brand portfolio includes RYOBI® power tools, HOMELITE® and RYOBI® outdoor power equipment, ROYAL®, DIRT DEVIL®, REGINA® and VAX® floor care appliances. The Company has enjoyed continuous growth since its listing on the Stock Exchange in 1990, achieving double-digit turnover growth for the past nine years. The Company is also one of the constituent stocks on the Hang Seng HK MidCap Index under the Hang Seng Composite Index, the MSCI Hong Kong Index, the FTSE All-World Hong Kong Index and the FTSE/Hang Seng Asian Cyclical Index. For more information, please visit www.ttigroup.com. (The information that appears on that website does not form part of this circular.)

F. BUSINESS AND FINANCIAL PROSPECTS OF THE ENLARGED GROUP

While signs of a global economic recovery persist, the forward looking economic environment remains uncertain. Management is focused on revenue and margin expansion through effective marketing, product innovation and the rationalisation of business processes. The Techtronic Group maintains a low cost structure with manufacturing infrastructure based in the PRC and strong relationships with key suppliers and distributors. In the power tools and outdoor power equipment segments, the Techtronic Group intends to focus on the launch of new products and to leverage the market profile of the RYOBI®, HOMELITE® and RIDGID® brands to diversify its product range and increase market penetration. The Techtronic Group also intends to intensify marketing efforts to promote brand awareness in the floor care, solar powered, laser and electronic measuring businesses.

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The addition of the Business will enable the Enlarged Group to consolidate its product offering and engineering, design and outsourcing capability. The Transaction will also strengthen Techtronic Group's brand profile and distribution network in the global power tools industry, particularly in the US and European markets, and the high-end product segment. Demand for the Business' products is expected to improve in line with the general economic environment. There is also substantial scope for margin improvement through inventory management and the continuous development of innovative new products. The Enlarged Group intends to focus on its core businesses and will seize opportunities to expand these markets where the potential to create shareholder value exists. With solid core businesses, ongoing product expansion and market diversification, the Enlarged Group is well positioned to maintain its strong growth momentum in an environment of economic uncertainty.

G. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors believe that the acquisition of the Business will enable the Company to enhance its leadership position in the global power tool industry. Through the acquisition of METCO, the Company will acquire the Milwaukee® brand, a well-established and widely recognized US power tool brand focused on professionals. Through the acquisition of AET, the Company will gain access to the AEG® brand, a well-recognized European power tool brand focused on professionals. In addition, the Directors believe that METCO's engineering and design capability can be leveraged across the Company's existing product portfolio.

In particular, the Transaction will allow the Company to:

- (a) strengthen its market presence in Europe where its products have historically been underrepresented;
- (b) expand the distribution of its products beyond its existing channels by utilizing the Business' network of independent dealers and distributors, thereby diversifying the Company's customer base;
- (c) increase sales of existing products such as pressure washers, air nailers, bench and stationary tools, wet/dry vacs and laser measuring devices by leveraging the METCO and AET distribution network which did not historically have access to these products;
- (d) compete more effectively with other major global tool manufacturers who offer extensive ranges of higher price point products globally;
- (e) become a leading supplier of power tool accessories, thereby further complementing and strengthening the Company's sourcing activity while solidifying the Company's position in this category, for example in hole saws, reciprocating saws, jig saw blades, professional drill bits; and
- (f) gain access to the Business' design, engineering and manufacturing operations which will provide critical expertise in certain key product categories both in North America and in Europe.

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H. PRO FORMA FINANCIALS OF THE ENLARGED GROUP

The following is a summary of the pro forma statement of unaudited adjusted combined assets and liabilities of the Enlarged Group based on the unaudited consolidated net assets of Techtronic Group as at 30th June 2004 as extracted from its interim report for the six months ended 30th June 2004, and the audited consolidated net assets of the Business as at 30th June 2004 as set out in Appendix IV to this circular and adjusted to reflect the effect of the Transaction.

	Unaudited consolidated balance sheet of Techtronic Group as at 30th June 2004 HK\$' million	Audited consolidated balance sheet of the Business as at 30th June 2004 HK\$' million (Note 1)	Adjustments HK\$' million	Total HK\$' million
Property, plant & equipment	863.9	1,152.1		2,016.0
Goodwill	635.6	3,010.0	377.8 (Note 2)	4,023.4
Negative goodwill	(31.0)	—		(31.0)
Intangible assets	178.7	113.9		292.6
Investment in associates	132.1	—		132.1
Investment in securities	38.6	—		38.6
Deferred tax assets	300.7	148.2	(148.2) (Note 2)	300.7
Other assets	1.2	31.2		32.4
Current assets				
Trade and other receivables	1,579.1	1,003.8	(30.4) (Note 2)	2,552.5
Amounts due from related parties of ATCO	—	560.8	(560.8) (Note 2)	—
Tax recoverable	1.1	0.8	(0.8) (Note 2)	1.1
Other current assets	2,996.3	975.0	—	3,971.3
Bank balances, deposits and cash	1,971.0	16.4	(5,016.5) (Note 2)	(3,029.1)
Total current assets	<u>6,547.5</u>	<u>2,556.8</u>	<u>(5,608.5)</u>	<u>3,495.8</u>
Current liabilities				
Trade, bills and other payables	(3,427.3)	(725.4)	35.1 (Note 2)	(4,117.6)
Amounts due from related parties of ATCO	—	(822.9)	822.9 (Note 2)	—
Tax payable	(108.2)	(4.7)	4.7 (Note 2)	(108.2)
Other current liabilities	(862.8)	(749.6)	—	(1,612.4)
Total current liabilities	<u>(4,398.3)</u>	<u>(2,302.6)</u>	<u>862.7</u>	<u>(5,838.2)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>4,269.0</u>	<u>4,709.6</u>	<u>(4,516.2)</u>	<u>4,462.4</u>
Obligations under finance leases				
– due after one year	(3.2)	(146.6)		(149.8)
Bank borrowings – due after one year	(1,405.5)	—	—	(1,405.5)
Other payables	—	(34.3)		(34.3)
Deferred tax liabilities	(47.9)	(212.2)	212.2 (Note 2)	(47.9)
Minority interests	(64.6)	—		(64.6)
Provisions	—	(12.5)		(12.5)
	<u>(1,521.2)</u>	<u>(405.6)</u>	<u>212.2</u>	<u>(1,714.6)</u>
NET ASSETS	<u><u>2,747.8</u></u>	<u><u>4,304.0</u></u>	<u><u>(4,304.0)</u></u>	<u><u>2,747.8</u></u>

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Notes:

1. The audited consolidated balance sheet of the Business is denominated in US dollars and has been translated into Hong Kong dollars at the conversion exchange rate of US\$1 to HK\$7.8.
2. As set out in the Stock Purchase Agreement, the Company will not purchase bank balances and cash, trade receivables or payables to the group companies of ATCO, amounts due from or due to related parties of ATCO, tax recoverable, tax payable, deferred tax assets and deferred tax liabilities of the Business at the date of acquisition and therefore the adjustment for the goodwill is factually supported by the Stock Purchase Agreement and it has a continuing effect on the Company.

The goodwill arising on the acquisition of the Business amounts to approximately HK\$377.8 million which represents the difference between the total consideration of HK\$5,000.1 million (consisting of the purchase price of HK\$4,887.3 million and the estimated expenses of HK\$112.8 million) and the net asset value of HK\$4,622.3 million as at 30th June 2004 (consisting of net assets of HK\$4,304.0 million as at 30th June 2004 excluding bank balances and cash, trade receivables or payables to the group companies of ATCO, amounts due from or due to related parties of ATCO, tax recoverable, tax payable, deferred tax assets and deferred tax liabilities of the Business at an aggregate amount of HK\$318.3 million as at 30th June 2004) prior to the acquisition.

3. The pro forma financial information is prepared in a manner consistent with the accounting policies of the Company in all material respects.

I. EGM

A notice convening the EGM to be held at the Harbour Room, 3rd Floor, The Ritz-Carlton, Hong Kong, 3 Connaught Road, Central, Hong Kong on 3rd January 2005 at 10:00 a.m. is set out on pages 133 to 134 of this circular at which an ordinary resolution will be proposed and, if thought fit, passed to approve the Transaction.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has a material interest in the Transaction who will be required to abstain from voting at the EGM.

A form of proxy for use by the Shareholders at the EGM is enclosed. Whether or not you are able to attend the EGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

Pursuant to articles 74 and 75 of the articles of association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or

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- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

J. RECOMMENDATION

Having considered the overall benefits that are expected to accrue to the Techtronic Group as a result of the Transaction, the Directors are of the opinion that the terms of the Stock Purchase Agreement (including the purchase price) are fair and reasonable and in the interests of Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transaction.

The executive Directors and their respective associates (as defined in the Listing Rules), beneficially holding a total of 417,070,742 Shares, which represented approximately 30.85% of the issued share capital of the Company as at the Latest Practicable Date, have indicated that they intend to vote such Shares in favour of the resolution to approve the Transaction.

K. ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Mr Horst Julius Pudwill
Chairman and Chief Executive Officer

The following tables set forth the summary consolidated financial information of the Techtronic Group as at and for the periods indicated. The summary audited consolidated financial information as at and for the years ended 31st December 2001, 2002 and 2003 set forth below are extracted from the previously published audited consolidated financial statements of the Techtronic Group as explained in the following paragraph and should be read in conjunction with the previously published audited consolidated financial statements of the Techtronic Group for each of the three years ended 31st December 2001, 2002 and 2003 (including the audited consolidated profit and loss accounts of the Techtronic Group for each of the three years ended 31st December 2001, 2002 and 2003 and the audited consolidated balance sheets of the Techtronic Group as at 31st December 2001, 2002 and 2003) and the notes thereto included elsewhere in this circular.

The figures for the year ended 31st December 2003 have been extracted from the Techtronic Group's audited financial statements for the year ended 31st December 2003. The figures for the year ended 31st December 2002 have been extracted from the Techtronic Group's audited consolidated financial statements for the year ended 31st December 2003 since the comparatives for the year ended 31st December 2002 have been restated to reflect the changes in accounting policy on adoption of Statement of Standard Accounting Practice ("SSAP") 12 (Revised) "Income taxes" issued by the Hong Kong Institute of Certified Public Accountants during 2003. The figures for the year ended 31st December 2001 have been extracted from the Techtronic Group's consolidated financial statements for the year ended 31st December 2001. No such restatement to reflect changes in accounting policy on the adoption of SSAP 12 (Revised) has been made for the figures for the year ended 31st December 2001 set out below.

Selected Financial Information

	(audited)		
	Years ended 31st December		
	2003	2002	2001
	<i>(in thousands of Hong Kong dollars, except per share data)</i>		
Turnover	13,182,808	9,492,938	6,101,140
Cost of sales	<u>(9,284,759)</u>	<u>(7,025,629)</u>	<u>(4,594,011)</u>
Gross profit	3,898,049	2,467,309	1,507,129
Other revenue	56,318	69,233	41,396
Selling, distribution, advertising and warranty expenses	(1,574,549)	(1,018,925)	(516,684)
Administrative expenses	(1,246,615)	(826,075)	(595,698)
Research and development costs	<u>(268,244)</u>	<u>(111,784)</u>	<u>(79,931)</u>
Profit from operations	864,959	579,758	356,212
Finance costs	<u>(95,731)</u>	<u>(83,978)</u>	<u>(91,000)</u>
Profit before share of results of associates and taxation	769,228	495,780	265,212
Share of results of associates	<u>(987)</u>	<u>121</u>	<u>(300)</u>
Profit before taxation	768,241	495,901	264,912
Taxation	<u>(66,811)</u>	<u>(70,246)</u>	<u>(22,940)</u>
Profit before minority interests	701,430	425,655	241,972
Minority interests	<u>(27,457)</u>	<u>(12,241)</u>	<u>(3,125)</u>
Profit for the year	<u><u>673,973</u></u>	<u><u>413,414</u></u>	<u><u>238,847</u></u>
Dividend Paid	<u><u>113,251</u></u>	<u><u>83,755</u></u>	<u><u>60,057</u></u>
Earnings per share Basic	<u><u>HK\$1.03</u></u>	<u><u>66.0 cents</u></u>	<u><u>42.02 cents</u></u>
Diluted	<u><u>HK\$1.01</u></u>	<u><u>66.0 cents</u></u>	<u><u>41.83 cents</u></u>

EXTRACT OF THE FINANCIAL STATEMENTS

Audited consolidated financial statements

The following audited consolidated financial statements of Techtronic Group are extracted from pages 38 to 84 of the annual report of Techtronic Group for the year ended 31st December 2003.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2003

	NOTES	2003 HK\$'000	2002 HK\$'000 (As restated)
Turnover	5	13,182,808	9,492,938
Cost of sales		(9,284,759)	(7,025,629)
Gross profit		3,898,049	2,467,309
Other operating income		39,575	55,495
Interest income	6	16,743	13,738
Selling, distribution, advertising and warranty expenses		(1,574,549)	(1,018,925)
Administrative expenses		(1,246,615)	(826,075)
Research and development costs		(268,244)	(111,784)
Profit from operations	7	864,959	579,758
Finance costs	8	(95,731)	(83,978)
Profit before share of results of associates and taxation		769,228	495,780
Share of results of associates		(987)	121
Profit before taxation		768,241	495,901
Taxation	11	(66,811)	(70,246)
Profit before minority interests		701,430	425,655
Minority interests		(27,457)	(12,241)
Profit for the year		673,973	413,414
Dividends	12	(113,251)	(83,755)
Earnings per share	13		
Basic		HK\$1.03	HK\$0.66
Diluted		HK\$1.01	HK\$0.66

CONSOLIDATED BALANCE SHEET

AT 31ST DECEMBER 2003

	NOTES	2003 HK\$'000	2002 HK\$'000 (As restated)
ASSETS			
Non-current assets			
Property, plant and equipment	14	904,356	846,766
Goodwill	15	652,760	107,714
Negative goodwill	16	(33,175)	(37,481)
Intangible assets	17	25,154	12,858
Interests in associates	19	118,394	117,265
Investments in securities	20	41,419	55,447
Deferred tax assets	29	273,937	168,196
Other assets		1,195	1,195
		<u>1,984,040</u>	<u>1,271,960</u>
Current assets			
Inventories	21	2,491,650	1,592,034
Trade and other receivables	22	2,197,789	1,213,434
Deposits and prepayments		293,408	197,997
Bills receivable		36,409	261,186
Investments in securities	20	5,575	7,385
Tax recoverable		51,274	16,858
Trade receivables from associates		48	6,760
Bank balances, deposits and cash		2,586,075	1,855,491
		<u>7,662,228</u>	<u>5,151,145</u>
Current liabilities			
Trade and other payables	23	2,084,198	1,462,030
Bills payable		2,809,963	1,613,634
Warranty provision	24	208,552	79,315
Trade payable to an associate		3,230	—
Tax payable		68,114	52,787
Obligations under finance leases			
– due within one year	25	5,485	7,336
Borrowings – due within one year	26	497,975	781,156
		<u>5,677,517</u>	<u>3,996,258</u>
Net current assets		<u>1,984,711</u>	<u>1,154,887</u>
Total assets less current liabilities		<u><u>3,968,751</u></u>	<u><u>2,426,847</u></u>

CONSOLIDATED BALANCE SHEET (Continued)

AT 31ST DECEMBER 2003

	NOTES	2003 HK\$'000	2002 HK\$'000 (As restated)
CAPITAL AND RESERVES			
Share capital	27	132,497	129,143
Reserves		<u>2,380,387</u>	<u>1,698,794</u>
		<u>2,512,884</u>	<u>1,827,937</u>
MINORITY INTERESTS			
		<u>46,374</u>	<u>18,917</u>
NON-CURRENT LIABILITIES			
Obligations under finance leases			
– due after one year	25	14,261	3,497
Borrowings – due after one year	26	1,348,497	554,059
Deferred tax liabilities	29	<u>46,735</u>	<u>22,437</u>
		<u>1,409,493</u>	<u>579,993</u>
		<u><u>3,968,751</u></u>	<u><u>2,426,847</u></u>

BALANCE SHEET

AT 31ST DECEMBER 2003

	NOTES	2003 HK\$'000	2002 HK\$'000 (As restated)
ASSETS			
Non-current assets			
Property, plant and equipment	14	233,659	244,261
Intangible assets	17	5,659	6,400
Investments in subsidiaries	18	402,408	472,663
Interests in associates	19	85,587	89,130
Investments in securities	20	10,454	15,681
Other assets		1,195	1,195
		<u>738,962</u>	<u>829,330</u>
Current assets			
Inventories	21	467,985	389,311
Trade and other receivables	22	42,379	73,316
Deposits and prepayments		78,514	67,805
Bills receivable		12,280	191,355
Investments in securities	20	5,575	7,385
Amounts due from subsidiaries		4,200,897	1,996,921
Bank balances, deposits and cash		1,067,850	791,912
		<u>5,875,480</u>	<u>3,518,005</u>
Current liabilities			
Trade and other payables	23	839,598	417,439
Bills payable		2,510,640	1,487,570
Amounts due to subsidiaries		549,641	255,087
Amount due to an associate		3,230	—
Tax payable		37,168	9,357
Obligations under finance leases			
– due within one year	25	1,963	5,109
Borrowings – due within one year	26	165,815	320,093
		<u>4,108,055</u>	<u>2,494,655</u>
Net current assets		<u>1,767,425</u>	<u>1,023,350</u>
Total assets less current liabilities		<u><u>2,506,387</u></u>	<u><u>1,852,680</u></u>

BALANCE SHEET *(Continued)*

AT 31ST DECEMBER 2003

	<i>NOTES</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i> (As restated)
CAPITAL AND RESERVES			
Share capital	27	132,497	129,143
Reserves	28	<u>2,106,955</u>	<u>1,551,731</u>
		<u>2,239,452</u>	<u>1,680,874</u>
NON-CURRENT LIABILITIES			
Obligations under finance leases			
– due after one year	25	595	2,473
Borrowings – due after one year	26	251,334	156,000
Deferred tax liabilities	29	<u>15,006</u>	<u>13,333</u>
		<u>266,935</u>	<u>171,806</u>
		<u><u>2,506,387</u></u>	<u><u>1,852,680</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2003

	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st January 2002					
– As previously reported	114,903	242,313	(5,244)	751,402	1,103,374
– Prior period adjustment (Note 2)	—	—	(9,671)	21,002	11,331
– As restated	114,903	242,313	(14,915)	772,404	1,114,705
Exchange differences on translation of overseas operations not recognised in the income statement	—	—	(1,853)	—	(1,853)
Shares issued at a premium	14,240	371,186	—	—	385,426
Profit for the year	—	—	—	413,414	413,414
Final dividend – 2001	—	—	—	(45,060)	(45,060)
Interim dividend – 2002	—	—	—	(38,695)	(38,695)
At 1st January 2003	129,143	613,499	(16,768)	1,102,063	1,827,937
Exchange differences on translation of overseas operations not recognised in the income statement	—	—	62,287	—	62,287
Shares issued at a premium	3,354	58,584	—	—	61,938
Profit for the year	—	—	—	673,973	673,973
Final dividend – 2002	—	—	—	(65,388)	(65,388)
Interim dividend – 2003	—	—	—	(47,863)	(47,863)
At 31st December 2003	<u>132,497</u>	<u>672,083</u>	<u>45,519</u>	<u>1,662,785</u>	<u>2,512,884</u>

The Group's retained profits include the Group's share of the post acquisition losses of associates of HK\$13,979,000 (2002: HK\$12,992,000), and the Group's translation reserve of a credit balance of HK\$1,541,000 (2002: HK\$1,541,000) in respect of associates.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2003

	<i>NOTES</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i> (As restated)
OPERATING ACTIVITIES			
Profit from operations		864,959	579,758
Adjustments for:			
Amortisation/write off of intangible assets		7,779	4,716
Amortisation of goodwill		25,056	6,523
Depreciation and amortisation on property, plant and equipment		303,846	262,612
Impairment loss of investment securities recognised		14,028	6,673
Interest income		(16,743)	(13,738)
Profit on disposal of property, plant and equipment		(4,304)	(16,073)
Release of negative goodwill to income		(4,306)	(4,306)
Loss on disposal of a subsidiary	31	—	1,345
Loss on disposal of an associate		—	108
		<hr/>	<hr/>
Operating cash flows before movements in working capital		1,190,315	827,618
Increase in inventories		(455,063)	(680,181)
Increase in trade and other receivables, deposits and prepayments		(747,305)	(397,117)
Decrease in bills receivable		225,641	70,579
Decrease (increase) in trade receivables from associates		6,712	(4,249)
Increase in trade and other payables		186,109	116,175
Increase in bills payable		1,196,329	1,006,475
Increase in warranty provision		59,640	50,622
Increase in trade payable to an associate		3,230	—
		<hr/>	<hr/>
Cash generated from operations		1,665,608	989,922
Interest paid		(93,647)	(83,978)
Hong Kong Profits Tax paid		(30,537)	(26,176)
Overseas Tax paid		(59,582)	(47,870)
Overseas Tax refunded		16,138	870
		<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES		1,497,980	832,768
INVESTING ACTIVITIES			
Interest received		16,743	13,738
Proceeds from disposal of property, plant and equipment		94,920	35,396
Purchase of property, plant and equipment		(238,299)	(238,016)
Additions to intangible assets		(6,642)	(11,388)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	30	(818,857)	(15,593)
Disposal of a subsidiary (net of cash and cash equivalents disposed of)	31	—	(275)
(Advance to) repayment from associates		(2,116)	9,745
Proceeds from disposal of investments in securities		1,810	—
Acquisition of an associate		—	(17,550)
Purchase of investments in securities		—	(4,076)
Decrease in pledged bank deposit		—	27,300
		<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES		(952,441)	(200,719)

CONSOLIDATED CASH FLOW STATEMENT *(Continued)*
FOR THE YEAR ENDED 31ST DECEMBER 2003

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i> (As restated)
FINANCING ACTIVITIES		
New bank loans obtained	1,178,302	312,000
Proceeds from issue of fixed interest rate notes	1,089,321	—
Proceeds from issue of shares	61,938	397,380
Increase in trust receipt loans	14,697	15,748
Repayment of bank loans	(2,037,364)	(64,918)
Repayment of obligations under finance leases	(10,169)	(10,719)
Dividend paid	(113,251)	(83,755)
Dividend paid to minority shareholders	—	(3,301)
Share issue expenses	—	(11,954)
	<u>183,474</u>	<u>550,481</u>
NET CASH FROM FINANCING ACTIVITIES		
	<u>183,474</u>	<u>550,481</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>729,013</u>	<u>1,182,530</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,753,900	585,567
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(38,815)</u>	<u>(14,197)</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>2,444,098</u></u>	<u><u>1,753,900</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Represented by:		
Bank balances, deposits and cash	2,586,075	1,855,491
Bank overdrafts	(141,977)	(101,591)
	<u>2,444,098</u>	<u>1,753,900</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited.

The principal activities of the Group are the manufacturing and trading of electrical and electronic products.

2. ADOPTION OF REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE

In current year, the Group has adopted, for the first time, the Hong Kong Financial Reporting Standard ("HKFRS"), the revised Statement of Standard Accounting Practice ("SSAP") 12 "Income Taxes" issued by the Hong Kong Society of Accountants ("HKSA"). The terms of HKFRS is inclusive of SSAPs and Interpretations approved by the HKSA.

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts for 2002 have been restated accordingly.

As a result of this change in policy, the balance of retained profits at 1st January 2002 has been increased by HK\$21,002,000, representing the cumulative effect of the change in policy on the results for periods prior to 1st January 2002. The change has resulted in a decrease in the profit of HK\$1,609,000 for the year ended 31st December 2003 (2002: increase in the profit of HK\$4,582,000).

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investments in securities and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st December each year. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The results of subsidiaries and associates acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition.

Goodwill is capitalised and amortised on a straight-line basis over its estimated useful economic life. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary or an associate, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

Negative goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition over the cost of acquisition.

Negative goodwill is presented as a deduction from assets and is released to income based on an analysis of the circumstances from which the balance resulted.

To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised as income immediately.

Negative goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a deduction from assets.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates, less any identified impairment losses.

The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year. In the Company's balance sheet, investments in associates are stated at cost, as reduced by any identified impairment losses.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and amortised on a straight-line basis over their estimated useful lives.

Assets held under finance leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group.

Assets held under finance leases are capitalised at their fair values at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as an obligation under finance leases. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the annual rentals are charged to the income statement on a straight-line basis over the term of the relevant lease.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less depreciation or amortisation and accumulated impairment losses.

Depreciation and amortisation is charged so as to write off the cost of property, plant and equipment other than construction in progress, over their estimated useful lives, using the straight-line method, at the following rates per annum:

Freehold land	Nil
Leasehold land and land use rights	2% or over the term of the relevant lease, if shorter
Buildings	4%
Leasehold improvements	25%
Office equipment, furniture and fixtures	16 ² / ₃ % – 25%
Plant and machinery	25%
Motor vehicles	16 ² / ₃ % – 25%
Moulds and tooling	20% – 33 ¹ / ₃ %
Vessel	20%

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any identified impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment losses that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in the income statement for the year.

Other assets

Other assets are stated at cost less any identified impairment losses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Turnover

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, and commission income and royalty income received during the year.

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Commission income is recognised when services are provided.

Royalty income is recognised on a time proportion basis in accordance with the substance of the relevant agreements.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rates applicable.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement.

Foreign currencies

Transactions in currencies other than Hong Kong dollars are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in profit or loss for the year.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Loan arrangement fees

Loan arrangement fees are amortised to the income statement over the term of the loan on a straight-line basis to provide a constant periodic rate of charge.

Retirement benefits schemes

Retirement benefits arrangements are made in accordance with the relevant laws and regulations. Payments to defined contribution retirement benefits schemes are charged as expenses as they fall due. For defined benefits schemes, the projected future cost of providing retirement benefits is recognised when the employees render services instead of when claims are incurred.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purpose, the Group is engaged in the manufacturing and trading of electrical and electronic products. The segment information is disclosed in accordance with different types of products.

INCOME STATEMENT

For the year ended 31st December 2003

	Power equipment products	Floor care appliances	Solar powered lighting and electronic measuring products	Eliminations	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER					
External sales	9,486,308	3,185,336	511,164	—	13,182,808
Inter-segment sales	194,995	12,160	53,172	(260,327)	—
	<u>9,681,303</u>	<u>3,197,496</u>	<u>564,336</u>	<u>(260,327)</u>	<u>13,182,808</u>
Total					
Inter-segment sales are charged at prevailing market rates.					
RESULT					
Segment result	653,385	131,351	100,973	—	885,709
Amortisation of goodwill					(25,056)
Release of negative goodwill to income					4,306
Profit from operations					864,959
Finance costs					(95,731)
Share of results of associates					(987)
Profit before taxation					768,241
Taxation					(66,811)
Profit after taxation					<u>701,430</u>

BALANCE SHEET

At 31st December 2003

	Power equipment products <i>HK\$'000</i>	Floor care appliances <i>HK\$'000</i>	Solar powered lighting and electronic measuring products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets				
Segment assets	6,766,767	1,536,586	279,725	8,583,078
Interests in associates				118,394
Unallocated corporate assets				944,796
Consolidated total assets				<u>9,646,268</u>
Liabilities				
Segment liabilities	(4,301,394)	(871,477)	(101,084)	(5,273,955)
Unallocated corporate liabilities				<u>(1,813,055)</u>
Consolidated total liabilities				<u>(7,087,010)</u>

OTHER INFORMATION

For the year ended 31st December 2003

	Power equipment products <i>HK\$'000</i>	Floor care appliances <i>HK\$'000</i>	Solar powered lighting and electronic measuring products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Capital additions	155,965	652,333	10,728	819,026
Depreciation and amortisation	200,388	127,216	4,244	331,848
Impairment loss of investment securities recognised	<u>14,028</u>	<u>—</u>	<u>—</u>	<u>14,028</u>

INCOME STATEMENT

For the year ended 31st December 2002

	Power equipment products	Floor care appliances	Solar powered lighting and electronic measuring products	Eliminations	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER					
External sales	7,603,461	1,662,347	227,130	—	9,492,938
Inter-segment sales	108,727	—	1,822	(110,549)	—
Total	<u>7,712,188</u>	<u>1,662,347</u>	<u>228,952</u>	<u>(110,549)</u>	<u>9,492,938</u>
Inter-segment sales are charged at prevailing market rates.					
(As restated)					
RESULT					
Segment result	471,768	73,092	37,115	—	581,975
Amortisation of goodwill					(6,523)
Release of negative goodwill to income					<u>4,306</u>
Profit from operations					579,758
Finance costs					(83,978)
Share of results of associates					<u>121</u>
Profit before taxation					495,901
Taxation					<u>(70,246)</u>
Profit after taxation					<u><u>425,655</u></u>

BALANCE SHEET

At 31st December 2002

	Power equipment products <i>HK\$'000</i>	Floor care appliances <i>HK\$'000</i>	Solar powered lighting and electronic measuring products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i> (As restated)
Assets				
Segment assets	5,381,302	571,431	97,820	6,050,553
Interests in associates				117,265
Unallocated corporate assets				255,287
Consolidated total assets				<u>6,423,105</u>
Liabilities				
Segment liabilities	(2,901,183)	(383,212)	(23,899)	(3,308,294)
Unallocated corporate liabilities				<u>(1,267,957)</u>
Consolidated total liabilities				<u>(4,576,251)</u>

OTHER INFORMATION

For the year ended 31st December 2002

	Power equipment products <i>HK\$'000</i>	Floor care appliances <i>HK\$'000</i>	Solar powered lighting and electronic measuring products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i> (As restated)
Capital additions	284,044	50,110	4,952	339,106
Depreciation and amortisation	211,757	51,046	3,845	266,648
Impairment loss of investment securities recognised	<u>6,673</u>	<u>—</u>	<u>—</u>	<u>6,673</u>

Geographical segments

(i) The following table provides an analysis of the Group's sales by geographical market location:

	Turnover		Contribution to results from ordinary activities before taxation	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000 (As restated)
By geographical market location:				
North America	10,905,833	7,732,107	762,628	500,360
Europe	1,522,361	1,095,200	92,491	45,629
Other countries	754,614	665,631	30,590	35,986
	<u>13,182,808</u>	<u>9,492,938</u>	885,709	581,975
Amortisation of goodwill			(25,056)	(6,523)
Release of negative goodwill to income			4,306	4,306
Profit from operations			864,959	579,758
Finance costs			(95,731)	(83,978)
Share of results of associates			(987)	121
Profit before taxation			<u>768,241</u>	<u>495,901</u>

(ii) The following table provides an analysis of segment assets, and additions to property, plant and equipment and intangible assets, analysed by geographical areas in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000 (As restated)
Hong Kong and People's Republic of China ("PRC")	2,866,292	2,329,784	158,363	268,685
North America	4,561,102	2,833,133	643,780	62,255
Europe	756,820	560,327	14,700	7,654
Other countries	398,864	327,309	2,183	512
	<u>8,583,078</u>	<u>6,050,553</u>	<u>819,026</u>	<u>339,106</u>

5. TURNOVER

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Turnover is analysed as follows:		
Sale of goods	13,143,731	9,492,938
Commission income	13,095	—
Royalty income	25,982	—
	<u>13,182,808</u>	<u>9,492,938</u>

6. INTEREST INCOME

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Interest earned on bank deposits	14,823	11,100
Interest earned on amount due from an associate	1,920	2,638
	<u>16,743</u>	<u>13,738</u>

7. PROFIT FROM OPERATIONS

	2003 HK\$'000	2002 HK\$'000 (As restated)
Profit from operations has been arrived at after charging (crediting):		
Amortisation of intangible assets	7,252	1,819
Amortisation of goodwill	25,056	6,523
Release of negative goodwill to income	(4,306)	(4,306)
Auditors' remuneration	7,527	5,768
Depreciation and amortisation on property, plant and equipment		
Owned assets	292,185	252,887
Assets held under finance leases	11,661	9,725
Impairment loss of investment securities recognised	14,028	6,673
Operating lease charges:		
Premises	80,928	36,785
Motor vehicles	13,357	6,412
Plant and machinery	9,638	4,101
Other assets	5,325	1,080
Profit on disposal of property, plant and equipment	(4,304)	(16,073)
Research and development costs	268,702	113,922
Less: amounts capitalised	(458)	(2,138)
	<u>268,244</u>	<u>111,784</u>
Retirement benefits scheme contributions	12,113	5,796
Staff costs		
Directors' remuneration		
Fees	196	196
Other emoluments	32,067	27,116
Others	834,777	532,946
	<u>867,040</u>	<u>560,258</u>
Write off of intangible assets	<u>527</u>	<u>2,897</u>

Staff costs disclosed above do not include an amount of HK\$117,222,000 (2002: HK\$64,818,000) relating to research and development activities, which is included under research and development costs.

8. FINANCE COSTS

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Interest on:		
Bank loans and overdrafts wholly repayable within five years	71,849	83,527
Obligations under finance leases	1,305	451
Fixed interest rate notes	20,493	—
Amortisation of loan arrangement fees	2,084	—
	<u>95,731</u>	<u>83,978</u>

9. DIRECTORS' EMOLUMENTS

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Directors' fees:		
Executive	40	40
Non-executive	—	—
Independent non-executive	156	156
	<u>196</u>	<u>196</u>
Other emoluments for group executive directors:		
Salaries and other benefits	31,989	27,068
Contributions to retirement benefits schemes	78	48
	<u>32,067</u>	<u>27,116</u>
Total emoluments	<u>32,263</u>	<u>27,312</u>

The emoluments of the directors were within the following bands:

	Number of directors	
	2003	2002
Nil to HK\$1,000,000	4	5
HK\$2,000,001 to HK\$2,500,000	—	1
HK\$3,000,001 to HK\$3,500,000	1	—
HK\$5,000,001 to HK\$5,500,000	2	2
HK\$5,500,001 to HK\$6,000,000	—	1
HK\$6,500,001 to HK\$7,000,000	1	—
HK\$8,500,001 to HK\$9,000,000	—	1
HK\$11,500,001 to HK\$12,000,000	1	—
	<u>1</u>	<u>—</u>

10. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2002: four) were group executive directors of the Company whose emoluments are included in the disclosures in note 9 above.

During each of the two years ended 31st December 2003 and 2002, no emoluments has been paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. No director had waived any emoluments during those years.

11. TAXATION

	2003 HK\$'000	2002 HK\$'000 (As restated)
Current tax:		
Hong Kong Profits Tax	78,997	31,509
(Over)underprovision in prior years	(2,817)	5,309
	<u>76,180</u>	<u>36,818</u>
Overseas taxation on profit for the year	39,902	52,348
Underprovision in prior years	4,897	6,167
	<u>44,799</u>	<u>58,515</u>
Deferred tax:		
Current year	(55,991)	(25,087)
Attributable to increase in tax rate	1,823	—
	<u>(54,168)</u>	<u>(25,087)</u>
	<u>66,811</u>	<u>70,246</u>

Hong Kong Profits Tax is calculated at 17.5% (2002: 16.0%) of the estimated assessable profit for the year. In June 2003, the Hong Kong Profits Tax rate was increased from 16.0% to 17.5% with effect from the 2003/2004 year of assessment. The effect of this increase has been reflected in the calculation of current and deferred tax balances as at 31st December 2003.

Deferred tax has been provided for at the rate that is expected to apply in the period when the liability is settled or the asset is realised.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax expenses for the year are reconciled as follows:

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i> (As restated)
Profit before taxation	768,241	495,901
Tax at Hong Kong Profits Tax rate	134,442	79,344
Effect of different tax rates of subsidiaries operating in other jurisdictions	(15,292)	11,354
Tax effect of expenses not deductible for tax purpose	21,095	14,580
Tax effect of income not taxable for tax purpose	(94,618)	(47,091)
Tax effect of tax losses not recognised	18,589	2,547
Utilisation of tax losses previously not recognised	—	(3,322)
Underprovision in respect of prior years	2,080	11,476
Increase in opening deferred tax liability resulting from an increase in applicable tax rate	1,823	—
Others	(1,308)	1,358
	<u>66,811</u>	<u>70,246</u>
Tax expenses	<u>66,811</u>	<u>70,246</u>

Details of deferred taxation are set out in note 29.

12. DIVIDENDS

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Final dividend paid:		
2002: HK 10.00 cents (2001: HK 7.00 cents) per share	65,388	45,060
Interim dividend paid:		
2003: HK 7.25 cents (2002: HK 6.00 cents) per share	47,863	38,695
	<u>113,251</u>	<u>83,755</u>

The final dividend in respect of the current financial year of HK17.75 cents (2002: HK 10.00 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the Annual General Meeting.

13. EARNINGS PER SHARE

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

	2003 HK\$'000	2002 HK\$'000 (As restated)
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the year	<u>673,973</u>	<u>413,414</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	653,630,513	621,966,346
Effect of dilutive potential ordinary shares:		
Share options	<u>15,326,233</u>	<u>9,078,074</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>668,956,746</u>	<u>631,044,420</u>

14. PROPERTY, PLANT AND EQUIPMENT

	Land and land use rights and buildings outside Hong Kong HK\$'000	Leasehold improvements HK\$'000	Office equipment, and furniture fixtures HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Moulds and tooling HK\$'000	Vessel in progress HK\$'000	Construction in progress HK\$'000	Total HK\$'000
THE GROUP									
COST									
At 1st January 2003	418,028	98,702	219,555	390,676	18,565	798,586	3,322	21,389	1,968,823
Currency realignment	11,571	1,498	6,669	2,028	558	1,488	—	—	23,812
Additions	6,745	5,659	51,062	36,640	1,408	117,764	154	22,850	242,282
Acquisition of subsidiaries	97,413	50,708	126,370	55,035	751	167,051	—	—	497,328
Disposals	(88,471)	(422)	(6,574)	(10,712)	(1,029)	(7,849)	—	(247)	(115,304)
Reclassification	3,828	(2,993)	21,029	1,730	—	12,722	—	(36,316)	—
At 31st December 2003	<u>449,114</u>	<u>153,152</u>	<u>418,111</u>	<u>475,397</u>	<u>20,253</u>	<u>1,089,762</u>	<u>3,476</u>	<u>7,676</u>	<u>2,616,941</u>
DEPRECIATION AND AMORTISATION									
At 1st January 2003	68,835	74,912	130,048	224,076	12,026	608,863	3,297	—	1,122,057
Currency realignment	4,710	1,098	5,863	1,277	361	1,253	—	—	14,562
Provided for the year	17,391	11,830	60,909	64,925	2,591	146,178	22	—	303,846
Acquisition of subsidiaries	30,102	12,493	82,731	44,892	469	126,121	—	—	296,808
Eliminated on disposals	(7,553)	(222)	(6,449)	(3,575)	(656)	(6,233)	—	—	(24,688)
Reclassification	280	(596)	(83)	1,809	—	(1,410)	—	—	—
At 31st December 2003	<u>113,765</u>	<u>99,515</u>	<u>273,019</u>	<u>333,404</u>	<u>14,791</u>	<u>874,772</u>	<u>3,319</u>	<u>—</u>	<u>1,712,585</u>
NET BOOK VALUES									
At 31st December 2003	<u>335,349</u>	<u>53,637</u>	<u>145,092</u>	<u>141,993</u>	<u>5,462</u>	<u>214,990</u>	<u>157</u>	<u>7,676</u>	<u>904,356</u>
At 31st December 2002	<u>349,193</u>	<u>23,790</u>	<u>89,507</u>	<u>166,600</u>	<u>6,539</u>	<u>189,723</u>	<u>25</u>	<u>21,389</u>	<u>846,766</u>

	Leasehold land and buildings outside Hong Kong HK\$'000	Office equipment, furniture Leasehold improvements HK\$'000	Moulds and fixtures HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	and tooling HK\$'000	Total HK\$'000
THE COMPANY							
COST							
At 1st January 2003	72,393	63,939	72,232	197,356	9,369	409,641	824,930
Additions	—	2,202	24,310	9,756	575	52,466	89,309
Disposals	—	—	(85)	(307)	—	—	(392)
Transfer to subsidiaries	—	(2,140)	(20)	—	—	—	(2,160)
At 31st December 2003	<u>72,393</u>	<u>64,001</u>	<u>96,437</u>	<u>206,805</u>	<u>9,944</u>	<u>462,107</u>	<u>911,687</u>
DEPRECIATION AND AMORTISATION							
At 1st January 2003	16,902	50,604	52,058	125,577	6,749	328,779	580,669
Provided for the year	2,767	4,991	12,614	28,780	1,026	47,537	97,715
Eliminated on disposals	—	—	(79)	(134)	—	—	(213)
Eliminated on transfer to subsidiaries	—	(139)	(4)	—	—	—	(143)
At 31st December 2003	<u>19,669</u>	<u>55,456</u>	<u>64,589</u>	<u>154,223</u>	<u>7,775</u>	<u>376,316</u>	<u>678,028</u>
NET BOOK VALUES							
At 31st December 2003	<u>52,724</u>	<u>8,545</u>	<u>31,848</u>	<u>52,582</u>	<u>2,169</u>	<u>85,791</u>	<u>233,659</u>
At 31st December 2002	<u>55,491</u>	<u>13,335</u>	<u>20,174</u>	<u>71,779</u>	<u>2,620</u>	<u>80,862</u>	<u>244,261</u>

The net book values of the Group's and the Company's property, plant and equipment include amounts of approximately HK\$9,139,000 and HK\$6,026,000 respectively (2002: HK\$18,798,000 and HK\$11,796,000 respectively) in respect of assets held under finance leases.

THE GROUP		THE COMPANY	
2003	2002	2003	2002
HK\$'000	HK\$'000	HK\$'000	HK\$'000

The net book values of land and land use rights and buildings are situated outside Hong Kong and are analysed as follows:

Freehold	282,625	293,702	—	—
Medium-term lease	52,724	55,491	52,724	55,491
	<u>335,349</u>	<u>349,193</u>	<u>52,724</u>	<u>55,491</u>

The Group has pledged certain freehold land and building having an aggregate net book value of HK\$14,134,000 (2002: HK\$14,774,000) to secure general banking facilities granted to the Group. The pledge has been released after year end.

15. GOODWILL

	THE GROUP <i>HK\$'000</i>
COST	
At 1st January 2003	
– As previously reported	280,361
– Prior period adjustment (<i>Note 2</i>)	<u>(66,721)</u>
– As restated	213,640
Arising on acquisition of subsidiaries	<u>570,102</u>
At 31st December 2003	<u>783,742</u>
AMORTISATION	
At 1st January 2003	
– As previously reported	119,270
– Prior period adjustment (<i>Note 2</i>)	<u>(13,344)</u>
– As restated	105,926
Charged for the year	<u>25,056</u>
At 31st December 2003	<u>130,982</u>
NET BOOK VALUES	
At 31st December 2003	<u><u>652,760</u></u>
At 31st December 2002	<u><u>107,714</u></u>

The amortisation period adopted ranges from 9 to 20 years as determined by the estimated foreseeable useful lives of the goodwill arising on past acquisitions.

16. NEGATIVE GOODWILL

	THE GROUP HK\$'000
GROSS AMOUNTS	
At 1st January 2003	
– As previously reported	30,808
– Prior period adjustment (<i>Note 2</i>)	<u>16,571</u>
– As restated and at 31st December 2003	<u>47,379</u>
RELEASED TO INCOME	
At 1st January 2003	
– As previously reported	6,885
– Prior period adjustment (<i>Note 2</i>)	<u>3,013</u>
– As restated	9,898
Released in the year	<u>4,306</u>
At 31st December 2003	<u>14,204</u>
CARRYING AMOUNTS	
At 31st December 2003	<u><u>33,175</u></u>
At 31st December 2002	<u><u>37,481</u></u>

The negative goodwill is released to income on a straight-line basis over a period of 11 years, being the remaining weighted average useful lives of the depreciable assets acquired.

17. INTANGIBLE ASSETS

	Deferred development cost <i>HK\$'000</i>	Patents and trademarks <i>HK\$'000</i>	Manufacture know-how <i>HK\$'000</i>	Total <i>HK\$'000</i>
THE GROUP				
COST				
At 1st January 2003	1,669	14,706	2,668	19,043
Currency realignment	172	67	—	239
Additions	459	5,341	842	6,642
Acquisition of a subsidiary	—	25,562	—	25,562
Write off in the year	(527)	(2,683)	—	(3,210)
	<u>1,773</u>	<u>42,993</u>	<u>3,510</u>	<u>48,276</u>
At 31st December 2003				
AMORTISATION				
At 1st January 2003	—	5,775	410	6,185
Currency realignment	—	45	—	45
Provided for the year	—	6,550	702	7,252
Acquisition of a subsidiary	—	12,323	—	12,323
Eliminated on write off	—	(2,683)	—	(2,683)
	<u>—</u>	<u>22,010</u>	<u>1,112</u>	<u>23,122</u>
At 31st December 2003				
NET BOOK VALUES				
At 31st December 2003	<u>1,773</u>	<u>20,983</u>	<u>2,398</u>	<u>25,154</u>
At 31st December 2002	<u>1,669</u>	<u>8,931</u>	<u>2,258</u>	<u>12,858</u>
				Patents
				<i>HK\$'000</i>
THE COMPANY				
COST				
At 1st January 2003				7,437
Additions				584
				<u>8,021</u>
At 31st December 2003				
AMORTISATION				
At 1st January 2003				1,037
Provided for the year				1,325
				<u>2,362</u>
At 31st December 2003				
NET BOOK VALUES				
At 31st December 2003				<u>5,659</u>
At 31st December 2002				<u>6,400</u>

All intangible assets of the Group and the Company are amortised on a straight-line basis over 4 to 10 years.

18. INVESTMENTS IN SUBSIDIARIES

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Investments in unlisted shares, at cost	402,408	402,314
Amount due from a subsidiary	—	70,349
	<u>402,408</u>	<u>472,663</u>

Particulars of the principal subsidiaries of the Company as at 31st December 2003 are set out in note 39.

The amount due from a subsidiary was unsecured, non-interest bearing and had no fixed repayment terms.

19. INTERESTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Unlisted shares, at cost less impairment loss recognised	—	—	17,940	17,940
Share of net assets	19,623	20,610	—	—
Net amounts due from associates	98,771	96,655	67,647	71,190
	<u>118,394</u>	<u>117,265</u>	<u>85,587</u>	<u>89,130</u>

Particulars of the associates as at 31st December 2003 are set out in note 40.

The amounts due from associates are unsecured, bear interest at HIBOR plus market spread and have no fixed repayment terms. In the opinion of directors, no part of the amounts will be repaid within the next twelve months and the amounts are therefore presented as non-current.

20. INVESTMENTS IN SECURITIES

	THE GROUP		THE COMPANY	
	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Non-current assets				
Unlisted investment securities (equity), at cost less impairment loss recognised	<u>41,419</u>	<u>55,447</u>	<u>10,454</u>	<u>15,681</u>
Current assets				
Other listed investments (equity securities), at market price	<u>5,575</u>	<u>7,385</u>	<u>5,575</u>	<u>7,385</u>

The Group's investments above included investments in Nack Products USA Limited ("Nack") and in America Direct, Inc. ("ADI"), with the carrying values of approximately HK\$10,454,000 (2002: HK\$15,681,000) and HK\$4,403,000 (2002: HK\$6,604,000), respectively. The Company's investments included its investment in Nack of the same amount. Both companies are incorporated in the United States of America ("USA"). Nack has the exclusive rights to market and distribute a registered product in the USA, of which the Group holds the manufacturing right. Its principal activity is the marketing and distribution of the registered product and other related products in the USA. ADI is engaged in marketing through a combination of direct response television and retail distribution in the USA and selected international markets.

The Group's investment represents approximately 25% (2002: 25%) of Nack's issued shares held directly by the Company and 26% (2002: 26%) of ADI's common stocks in issue held by a 51% subsidiary of the Company. Both Nack and ADI are not regarded as associates of the Group because the Group has no significant influence over their affairs.

21. INVENTORIES

	THE GROUP		THE COMPANY	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Raw materials	599,855	560,481	247,007	276,231
Work in progress	76,298	43,219	60,907	23,539
Finished goods	1,815,497	988,334	160,071	89,541
	<u>2,491,650</u>	<u>1,592,034</u>	<u>467,985</u>	<u>389,311</u>

The value of inventories carried at net realisable value at the balance sheet date was insignificant.

22. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing credit periods ranging from 60 days to 120 days. The aging analysis of trade receivables is as follows:

	THE GROUP		THE COMPANY	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
0 to 60 days	1,711,577	992,138	39,765	56,570
61 to 120 days	346,828	145,061	2,614	16,746
121 days or above	26,918	23,472	—	—
Total trade receivables	2,085,323	1,160,671	42,379	73,316
Other receivables	112,466	52,763	—	—
	<u>2,197,789</u>	<u>1,213,434</u>	<u>42,379</u>	<u>73,316</u>

23. TRADE AND OTHER PAYABLES

The aging analysis of trade payables is as follows:

	THE GROUP		THE COMPANY	
	2003	2002	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
				(As restated)
0 to 60 days	1,042,276	619,751	444,349	183,117
61 to 120 days	202,605	175,476	127,707	66,185
121 days or above	7,263	25,841	4,247	23,874
	<u>1,252,144</u>	<u>821,068</u>	<u>576,303</u>	<u>273,176</u>
Total trade payables	1,252,144	821,068	576,303	273,176
Other payables	832,054	640,962	263,295	144,263
	<u>2,084,198</u>	<u>1,462,030</u>	<u>839,598</u>	<u>417,439</u>

24. WARRANTY PROVISION

	THE GROUP	
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1st January	79,315	26,979
Currency realignment	1,737	427
Additional provision in the year	387,287	58,233
Acquisition of subsidiaries	67,860	1,287
Utilisation of provision	<u>(327,647)</u>	<u>(7,611)</u>
At 31st December	<u>208,552</u>	<u>79,315</u>

The warranty provision represents management's best estimate of the Group's outstanding liabilities on products sold. It is expected that the majority of this expenditure will be incurred in the next financial year.

25. OBLIGATIONS UNDER FINANCE LEASES

The maturity of obligations under finance leases is as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
THE GROUP				
Amounts payable under finance leases:				
Within one year	6,825	7,825	5,485	7,336
In the second to fifth year inclusive	11,154	3,688	7,871	3,497
After five years	7,283	—	6,390	—
	<u>25,262</u>	<u>11,513</u>	<u>19,746</u>	<u>10,833</u>
Less: future finance charges	(5,516)	(680)	—	—
Present value of lease obligations	<u>19,746</u>	<u>10,833</u>	19,746	10,833
Less: Amount due within one year shown under current liabilities			(5,485)	(7,336)
Amount due after one year			<u>14,261</u>	<u>3,497</u>
THE COMPANY				
Amounts payable under finance leases:				
Within one year	2,187	5,475	1,963	5,109
In the second to fifth year inclusive	624	2,624	595	2,473
	<u>2,811</u>	<u>8,099</u>	<u>2,558</u>	<u>7,582</u>
Less: future finance charges	(253)	(517)	—	—
Present value of lease obligations	<u>2,558</u>	<u>7,582</u>	2,558	7,582
Less: Amount due within one year shown under current liabilities			(1,963)	(5,109)
Amount due after one year			<u>595</u>	<u>2,473</u>

It is the Group's policy to lease certain of its plant and machinery, fixtures and equipment under finance leases. The lease terms range from 3 to 20 years. Interest rates are fixed at the contract date and all leases are on a fixed repayment basis.

26. BORROWINGS

	THE GROUP		THE COMPANY	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trust receipt loans	168,012	153,315	96,482	86,093
Bank loans	445,078	1,080,309	320,667	390,000
Bank overdrafts	141,977	101,591	—	—
	<u>755,067</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>
Bank borrowings	755,067	1,335,215	417,149	476,093
Fixed interest rate notes (Note a)	1,091,405	—	—	—
	<u>1,846,472</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>
Total borrowings	<u>1,846,472</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>
Analysed into:				
Secured (Note b)	5,899	6,017	—	—
Unsecured	1,840,573	1,329,198	417,149	476,093
	<u>1,846,472</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>

All borrowings of the Group and the Company are repayable as follows:

	THE GROUP		THE COMPANY	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
On demand or within one year	497,975	781,156	1165,815	320,093
In the second year	23,092	214,865	17,334	—
In the third to fifth year inclusive	234,000	333,821	234,000	156,000
After five years	1,131,000	5,373	—	—
	<u>1,886,067</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>
Less: Amount due within one year shown under current liabilities	(497,975)	(781,156)	(165,815)	(320,093)
	<u>1,388,092</u>	<u>554,059</u>	<u>251,334</u>	<u>156,000</u>
Less: Unamortised loan arrangement fees	(39,595)	—	—	—
Amount due after one year	<u>1,348,497</u>	<u>554,059</u>	<u>251,334</u>	<u>156,000</u>

Note a: During the year, the Group issued fixed interest rate notes, through its wholly-owned entity in the USA, for an aggregate principal amount of US\$145,000,000. The notes were issued in two fixed rate tranches, of US\$120,000,000 for 10 years at 4.7% per annum, and US\$25,000,000 for 7 years at 4.09% per annum. The proceeds were used to refinance existing medium term debts and for general working capital purposes.

Note b: The security has been released on repayment of borrowing after year end.

27. SHARE CAPITAL

	Number of shares		2003	2002
	2003	2002	HK\$'000	HK\$'000
Ordinary shares of HK\$0.20 each				
Authorised	<u>800,000,000</u>	<u>800,000,000</u>	<u>160,000</u>	<u>160,000</u>
Issued and fully paid:				
At 1st January	645,716,826	574,516,826	129,143	114,903
Issued on share placement	—	60,000,000	—	12,000
Issued on exercise of share options	<u>16,770,000</u>	<u>11,200,000</u>	<u>3,354</u>	<u>2,240</u>
At 31st December	<u>662,486,826</u>	<u>645,716,826</u>	<u>132,497</u>	<u>129,143</u>

The shares issued during the year rank pari passu in all respects with the existing shares.

28. RESERVES

	Share premium HK\$'000	Retained profits HK\$'000	Total HK\$'000
THE COMPANY			
At 1st January 2002			
– As previously reported	242,313	755,032	997,345
– Prior period adjustment (<i>Note 2</i>)	—	(9,631)	(9,631)
– As restated	242,313	745,401	987,714
Premium on shares issued	371,186	—	371,186
Profit for the year	—	276,586	276,586
Final dividend – 2001	—	(45,060)	(45,060)
Interim dividend – 2002	—	(38,695)	(38,695)
At 1st January 2003	613,499	938,232	1,551,731
Premium on shares issued	58,584	—	58,584
Profit for the year	—	609,891	609,891
Final dividend – 2002	—	(65,388)	(65,388)
Interim dividend – 2003	—	(47,863)	(47,863)
At 31st December 2003	<u>672,083</u>	<u>1,434,872</u>	<u>2,106,955</u>

As at 31st December 2003, the Company's reserves available for distribution to shareholders comprised the retained profits of HK\$1,434,872,000 (*2002 as restated: HK\$938,232,000*).

29. DEFERRED TAX (ASSETS) LIABILITIES

The followings are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior periods:

	Accelerated tax depreciation <i>HK\$'000</i>	Employee Warranty provision <i>HK\$'000</i>	related provision <i>HK\$'000</i>	Tax losses <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
THE GROUP						
At 1st January 2002						
- As previously reported	2,033	(6,289)	(7,588)	—	(7,813)	(19,657)
- Prior period adjustment (<i>Note 2</i>)	17,493	—	—	(107,668)	296	(89,879)
	<u>19,526</u>	<u>(6,289)</u>	<u>(7,588)</u>	<u>(107,668)</u>	<u>(7,517)</u>	<u>(109,536)</u>
- As restated	19,526	(6,289)	(7,588)	(107,668)	(7,517)	(109,536)
Currency realignment	—	—	—	(11,136)	—	(11,136)
Charge (credit) to income for the year	26,837	(14,679)	(3,970)	(3,294)	(29,981)	(25,087)
	<u>46,363</u>	<u>(20,968)</u>	<u>(11,558)</u>	<u>(122,098)</u>	<u>(37,498)</u>	<u>(145,759)</u>
At 1st January 2003	46,363	(20,968)	(11,558)	(122,098)	(37,498)	(145,759)
Currency realignment	20	(208)	(512)	(12,590)	(569)	(13,859)
Charge (credit) to income for the year	(41,285)	(18,721)	(4,996)	5,868	3,143	(55,991)
Acquisition of subsidiary	10,088	(21,842)	(9,136)	—	7,474	(13,416)
Effect of change in tax rate						
- charge (credit) to income	2,033	—	—	(242)	32	1,823
	<u>17,219</u>	<u>(61,739)</u>	<u>(26,202)</u>	<u>(129,062)</u>	<u>(27,418)</u>	<u>(227,202)</u>
At 31st December 2003	<u>17,219</u>	<u>(61,739)</u>	<u>(26,202)</u>	<u>(129,062)</u>	<u>(27,418)</u>	<u>(227,202)</u>
					Accelerated tax depreciation <i>HK\$'000</i>	
THE COMPANY						
At 1st January 2002						
- As previously reported						1,394
- Prior period adjustment (<i>Note 2</i>)						9,631
						<u>11,025</u>
- As restated						11,025
Charge to income for the year						2,308
						<u>13,333</u>
At 1st January 2003						13,333
Charge to income for the year						422
Effect of change in tax rate						
- charge to income						1,251
						<u>15,006</u>
At 31st December 2003						<u>15,006</u>

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset in accordance with the conditions set out in SSAP 12 (Revised). The following is the analysis of the deferred tax balances for financial reporting purpose:

	THE GROUP		THE COMPANY	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Deferred tax assets	(273,937)	(168,196)	—	—
Deferred tax liabilities	46,735	22,437	15,006	13,333
	<u>(227,202)</u>	<u>(145,759)</u>	<u>15,006</u>	<u>13,333</u>

30. ACQUISITION OF SUBSIDIARIES

	2003	2002
	HK\$'000	HK\$'000
NET ASSETS ACQUIRED		
Property, plant and equipment	200,520	214,212
Intangible asset	13,239	192
Deferred tax asset	23,070	—
Inventories	359,191	89,189
Trade and other receivables, deposits and prepayments	250,407	80,592
Tax recoverable	66,680	4,024
Bank balances and cash	34,790	22,925
Trade and other payables	(376,739)	(201,651)
Bank overdrafts	(1,719)	—
Bank loans	(195,000)	(108,612)
Warranty provision	(67,860)	(1,287)
Obligations under finance leases	(15,099)	—
Deferred tax liability	(9,654)	—
	<u>281,826</u>	<u>99,584</u>
Goodwill arising on acquisition	570,102	87,134
	<u>851,928</u>	<u>186,718</u>
Consideration		
SATISFIED BY		
Deposit paid in previous year	—	148,200
Cash paid in the year	851,928	38,518
	<u>851,928</u>	<u>186,718</u>

Net cash outflow arising on acquisition:

	2003 HK\$'000	2002 HK\$'000
Cash consideration paid during the year	(851,928)	(38,518)
Bank balances and cash acquired	34,790	22,925
Bank overdrafts acquired	(1,719)	—
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	<u>(818,857)</u>	<u>(15,593)</u>

The subsidiaries acquired during the year contributed approximately HK\$1,869,483,000 (2002: HK\$1,638,864,000) to the Group's turnover, and approximately HK\$7,847,000 (2002: HK\$66,872,000) to the Group's profit from operations.

31. DISPOSAL OF A SUBSIDIARY

As at 31st December 2002, upon the relocation of the Group's manufacturing operations from Indonesia to the PRC, the Group has liquidated its subsidiary, P. T. Techtronic Appliances. The loss on disposal in relation to the liquidation and the net cash outflow arising on such disposal amounted to approximately HK\$1,345,000 and HK\$275,000, respectively.

Both the carrying value of individual assets at the date of disposal and the net cash flows attributable to the subsidiary disposed of during the year ended 31st December 2002 were not material to the Group as a whole.

32. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the finance leases of HK\$3,983,000 (2002: HK\$2,568,000).

33. LEASE COMMITMENTS

At the balance sheet date, the Group and the Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	THE GROUP		THE COMPANY	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Within one year	86,195	42,264	14,620	12,753
In the second to fifth year inclusive	154,196	75,309	10,947	11,287
After five years	138,348	59,052	17,016	15,836
	<u>378,739</u>	<u>176,625</u>	<u>42,583</u>	<u>39,876</u>

Operating lease payments represent rentals payable by the Group and the Company for certain of its plant and machinery and office properties. Leases are negotiated for a term ranging from 1 year to 15 years.

34. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Guarantees given to banks in respect of credit facilities utilised by associates	16,904	27,367	16,904	27,367
Bills discounted with recourse	180,133	188,779	7,161	39,547
	<u>197,037</u>	<u>216,146</u>	<u>24,065</u>	<u>66,914</u>

In addition, the Company has given guarantees to banks and independent third parties in respect of general facilities granted to its subsidiaries. The extent of such facilities utilised by the subsidiaries as at 31st December 2003 amounted to HK\$1,430,535,000 (2002: HK\$455,949,000).

35. SHARE OPTIONS

Scheme adopted on 28th November 1990 and expired on 27th November 2000 ("Scheme A")

In accordance with the Company's share option scheme adopted pursuant to a resolution passed on 28th November 1990, the Board of Directors may grant share options to eligible employees, including full-time employees and executive directors of the Company and its subsidiaries, at nil consideration, to subscribe for shares in the Company. The purpose of the scheme is to provide incentives or rewards to directors and eligible employees.

Share options granted must be taken up within 21 days of the date of grant. Any share options granted can be exercised within the period commencing on the first anniversary of the date of grant of such share option and expiring at the close of business on the tenth anniversary thereof.

The subscription price is set at not less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of offer of the share option. The maximum number of shares in respect of which share options may be granted shall not exceed 10% of the issued share capital of the Company from time to time but excluding shares issued pursuant to the share option scheme, and shall not exceed 1% of the issued share capital in any one financial year. No employee shall be granted an option, if exercised in full, would result in such employee becoming entitled to subscribe for more than 25% of the aggregate number of shares for the time being issued and issuable under Scheme A.

Scheme A expired on 27th November 2000.

Scheme adopted on 25th May 2001 ("Scheme B")

Following the expiry of Scheme A in November 2000, a new share option scheme was adopted pursuant to a resolution passed on 25th May 2001 for the purpose of providing incentives or rewards to directors and eligible persons. Under Scheme B, the Board of Directors of the Company may grant share options to eligible persons, including full-time officers, executive directors and full-time employees of the Company and its subsidiaries, to subscribe for shares in the Company.

Share options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 in cash by way of consideration for the grant thereof. Share options may be exercised at any time from the date which the offer of share options is accepted to the fifth anniversary thereof. The subscription price is set at not less than the nominal value of the shares and 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of offer of the share option.

The maximum number of shares in respect of which share options may be granted under Scheme B is not permitted to exceed 10% of the issued share capital of the Company from time to time. No employee shall be granted an option which, if exercised in full, would result in such employee becoming entitled to subscribe for more than 25% of the aggregate number of shares for the time being issued and issuable under Scheme B.

Scheme B was terminated on 28th March 2002 pursuant to a resolution passed on that date.

Scheme adopted on 28th March 2002 ("Scheme C")

Following the termination of Scheme B, a new share option scheme was adopted pursuant to a resolution passed on 28th March 2002 for recognition of the contribution to the development and growth of the Group by the eligible persons. This scheme will expire on 27th March 2007. Under Scheme C, the Board of Directors of the Company may grant share options to the following eligible persons (and their wholly owned companies) of the Company, its subsidiaries and any companies in which the Group holds any equity interest, to subscribe for shares in the Company:

- (i) employees; or
- (ii) non-executive directors; or
- (iii) suppliers or customers; or
- (iv) any person or entity that provides research, development or other technological support; or
- (v) shareholders.

Share options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 in cash by way of consideration for the grant thereof. Share options may be exercised at any time from the date of grant to the fifth anniversary thereof. The subscription price is set at the highest of: the closing price of the shares on the date of offer of the share option; or the average closing price of shares as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the date of offer; or the nominal value of shares on the date of offer.

The maximum number of shares in respect of which share options may be granted under Scheme C is not permitted to exceed 30% of the issued share capital of the Company from time to time or 10% of shares in issue as at the adoption date of Scheme C. No person shall be granted an option which exceeds 1% of the shares in issue as at the date of offer in any 12-month period up to the date thereof.

The following table discloses details of the Company's share options held by employees (including directors) and movements in such holdings during the year:

Option type	Outstanding at 1.1.2003	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2003
Scheme A	400,000	—	100,000	300,000	—
Scheme B	13,750,000	—	10,500,000	500,000	2,750,000
Scheme C	31,921,000	13,439,000	6,170,000	361,000	38,829,000
	<u>46,071,000</u>	<u>13,439,000</u>	<u>16,770,000</u>	<u>1,161,000</u>	<u>41,579,000</u>
Option type	Outstanding at 1.1.2002	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2002
Scheme A	3,500,000	—	3,100,000	—	400,000
Scheme B	21,850,000	—	8,100,000	—	13,750,000
Scheme C	—	31,921,000	—	—	31,921,000
	<u>25,350,000</u>	<u>31,921,000</u>	<u>11,200,000</u>	<u>—</u>	<u>46,071,000</u>

Details of the share options held by the directors included in the above table are as follows:

	Outstanding at 1st January	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31st December
2003	<u>31,296,000</u>	<u>2,060,000</u>	<u>8,800,000</u>	<u>—</u>	<u>24,556,000</u>
2002	<u>12,450,000</u>	<u>22,046,000</u>	<u>3,200,000</u>	<u>—</u>	<u>31,296,000</u>

Details of share options exercised during the year ended 31st December 2003:

Exercise date	Exercise price HK\$	Proceeds HK\$'000	Number
24.4.2003	2.0920	2,092	1,000,000
24.4.2003	2.1480	2,578	1,200,000
30.4.2003	6.4000	4,352	680,000
2.5.2003	2.0920	1,046	500,000
5.5.2003	6.4000	1,216	190,000
7.5.2003	6.4000	320	50,000
9.5.2003	6.4000	320	50,000
12.5.2003	6.4000	160	25,000
14.5.2003	6.4000	960	150,000
19.5.2003	6.4000	640	100,000
20.5.2003	6.4000	960	150,000
21.5.2003	2.1160	423	200,000
22.5.2003	2.1160	106	50,000
23.5.2003	2.1960	549	250,000
28.5.2003	6.4000	1,088	170,000
29.5.2003	1.0000	100	100,000
29.5.2003	2.2600	565	250,000
29.5.2003	6.4000	2,240	350,000
2.6.2003	6.4000	1,280	200,000
2.6.2003	6.9800	349	50,000
3.6.2003	6.9800	174	25,000
5.6.2003	2.1480	2,148	1,000,000
5.6.2003	2.2600	2,260	1,000,000
6.6.2003	6.4000	320	50,000
9.6.2003	6.9800	523	75,000
12.6.2003	6.4000	640	100,000
12.6.2003	6.9800	174	25,000
23.6.2003	6.4000	1,120	175,000
2.7.2003	6.4000	640	100,000
4.7.2003	6.4000	320	50,000
7.7.2003	6.7000	1,340	200,000
7.7.2003	6.9800	174	25,000
9.7.2003	6.4000	1,280	200,000
10.7.2003	6.4000	512	80,000
11.7.2003	2.1160	212	100,000
14.7.2003	6.4000	640	100,000
16.7.2003	6.4000	640	100,000
28.7.2003	6.4000	320	50,000
8.8.2003	6.4000	320	50,000
11.8.2003	2.1160	212	100,000
12.8.2003	6.4000	128	20,000
19.8.2003	2.0920	1,674	800,000
19.8.2003	2.2600	1,808	800,000
19.8.2003	6.4000	640	100,000
21.8.2003	2.2600	565	250,000
21.8.2003	6.4000	320	50,000
25.8.2003	2.1160	2,116	1,000,000
28.8.2003	2.1160	2,116	1,000,000
9.9.2003	2.1160	2,116	1,000,000
10.9.2003	6.4000	960	150,000

Exercise date	Exercise price HK\$	Proceeds HK\$'000	Number
11.9.2003	6.4000	1,280	200,000
22.9.2003	6.4000	640	100,000
29.9.2003	6.9800	84	12,000
2.10.2003	6.4000	320	50,000
3.10.2003	6.4000	64	10,000
7.10.2003	6.9800	91	13,000
14.10.2003	6.9800	35	5,000
17.10.2003	6.4000	960	150,000
20.10.2003	5.9000	5,900	1,000,000
20.10.2003	6.4000	1,920	300,000
20.10.2003	6.7000	1,340	200,000
27.10.2003	6.9800	70	10,000
11.11.2003	6.9800	70	10,000
24.11.2003	6.4000	480	75,000
11.12.2003	6.4000	640	100,000
31.12.2003	6.4000	288	45,000
		<u>61,938</u>	<u>16,770,000</u>

Details of share options exercised during the year ended 31st December 2002:

Exercise date	Exercise price HK\$	Proceeds HK\$'000	Number
4.1.2002	1.0144	507	500,000
4.1.2002	1.2800	640	500,000
4.1.2002	1.0000	1,200	1,200,000
26.2.2002	2.1160	12,695	6,000,000
29.4.2002	1.7440	174	100,000
29.4.2002	1.0800	108	100,000
3.5.2002	1.7440	174	100,000
13.5.2002	1.4768	148	100,000
13.5.2002	1.7440	174	100,000
6.6.2002	2.0920	1,046	500,000
22.6.2002	2.2600	1,130	500,000
25.6.2002	1.0800	108	100,000
19.7.2002	1.0800	108	100,000
26.8.2002	2.1960	275	125,000
29.8.2002	2.1960	275	125,000
2.9.2002	2.1160	529	250,000
23.9.2002	2.1160	529	250,000
10.10.2002	1.7440	174	100,000
24.10.2002	2.4750	248	100,000
11.11.2002	1.0800	108	100,000
29.11.2002	2.1160	317	150,000
3.12.2002	2.1160	212	100,000
		<u>20,880</u>	<u>11,200,000</u>

The weighted average closing prices of the Company's shares immediately before various dates on which the share options were exercised ranged from HK\$9.20 to HK\$22.44 (2002: ranged from HK\$5.67 to HK\$6.98).

36. RETIREMENT BENEFITS SCHEMES

The Company and its subsidiaries operating in Hong Kong have participated in the Mandatory Provident Fund Schemes ("MPF Schemes") registered under the Mandatory Provident Fund Ordinance since December 2000.

The Group's overseas subsidiaries operate a number of defined contribution schemes and a defined benefit scheme which cover substantially all of their employees. Contributions to the defined contribution schemes applicable to each year are made at a certain percentage of the employees' payroll.

The pension costs of the defined benefit scheme are assessed in accordance with an actuarial valuation as at 1st January 2004 performed by Aon Consulting, an employee benefits consulting group, using the Projected Unit Credit method. No medical trend rate assumption is necessary as at 31st December 2003 (2002: 10%) since all retirees are assumed to be affected by the fixed dollar subsidy and a discount rate of 6.25% (2002: 6.75%) were assumed for calculating the actuarial valuation.

There are no assets set aside for these benefits and the plan is funded on a pay-as-you-go basis. The accrued benefit costs under such scheme are to be reimbursed by a former shareholder of the overseas subsidiary in accordance with an assignment assumption, reimbursement and indemnification agreement. As such, the overseas subsidiary has set up a receivable and an accrued benefit cost of same amount of approximately HK\$27,000,000 (2002: HK\$28,000,000) as at 31st December 2003.

37. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Capital expenditure contracted for but not provided in the financial statements in respect of:				
Purchase of property, plant and equipment	85,598	27,633	54,206	10,919
Acquisition of an associate	—	29,250	—	29,250
	<u>85,598</u>	<u>56,883</u>	<u>54,206</u>	<u>40,169</u>
Capital expenditure authorised but not contracted for in the financial statements in respect of the purchase of property, plant and equipment	<u>3,398</u>	<u>10,737</u>	<u>—</u>	<u>—</u>

38. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with associates:

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Purchases	—	37,761
Management fee income	300	2,100
Management fee expenses	852	852
Interest income received	1,920	2,166
Sales income	602	28,795
Salary charges	—	354
Equipment charge income	<u>1,152</u>	<u>284</u>

The above transactions were carried out based on market price/rate, or where no market price/rate was available, at cost plus a percentage profit markup.

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31st December 2003 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of nominal value of issued capital held by the Company		Principal activities
			Directly %	Indirectly %	
Digiwireless Limited	Hong Kong	HK\$2	100	—	Investment holding
Envotech Technology Company Limited	Hong Kong	HK\$2	100	—	Investment holding
Full Team International Limited	Hong Kong	HK\$2	100	—	Investment holding
Homelite Asia Ltd.	The British Virgin Islands ("BVI")/ The PRC	US\$1	100	—	Trading of outdoor power equipment products
Homelite Consumer Products Holdings, Inc.	USA	US\$10	—	100	Investment holding
Homelite Consumer Products, Inc.	USA	US\$10	—	100	Trading of outdoor power equipment products
Homelite Far East Co. Ltd.	Hong Kong	HK\$2	100	—	Trading of outdoor power equipment products
Homelite Technologies Ltd.	Bermuda	US\$12,000	100	—	Investment holding

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of nominal value of issued capital held by the Company		Principal activities
			Directly %	Indirectly %	
MacEwen Property Co. Inc.	USA	US\$100	100	—	Property holding
Marco Polo Industries & Merchandising Company Limited	Hong Kong	HK\$100,000	100	—	Trading of household electronic and electrical products
One World Technologies Inc.	USA	US\$10	—	100	Investment holding
One World Technologies Limited	Bermuda	US\$12,000	100	—	Investment holding
OWT France SAS	France	£1,750,000	—	100	Investment holding
OWT Holding, Inc.	USA	US\$10	2.8	97.2	Investment holding
OWT Industries, Inc.	USA	US\$10	—	100	Manufacture of electric components and power tools products
OWT Taiwan Limited	Taiwan	NT\$5,000,000	100	—	Provision of inspection services
Premier Appliance Group Limited	Hong Kong	HK\$2	100	—	Manufacture of components
RAMC Holdings Limited	Bermuda	US\$12,000	100	—	Investment holding
Ryobi Technologies Australia Pty Limited	Australia	A\$5,500,000	100	—	Trading of electric power tools products
Ryobi Technologies Canada Inc.	Canada	C\$600,000	—	100	Trading of electric power tools products
Ryobi Technologies France S.A.	France	£17,836,535	—	100	Trading of electric power tools products
Ryobi Technologies GmbH	Germany	£500,000	100	—	Trading of electric power tools products
Ryobi Technologies, Inc.	USA	US\$10	—	100	Trading of electric power tools products
Ryobi Technologies (New Zealand) Limited	New Zealand	NZ\$1,165,500	100	—	Trading of electric power tools products

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of nominal value of issued capital held by the Company		Principal activities
			Directly %	Indirectly %	
Ryobi Technologies (UK) Limited	The United Kingdom	£4,000,000	100	—	Trading of electric power tools products
Royal Appliance Mfg. Co.	USA	US\$1	—	100	Trading and manufacture of floor care products
Royal Appliance International GmbH	Germany	£1,278,230	51	—	Trading of household electronic and electrical products
Santo Industries Limited	Hong Kong	HK\$2,000,000	100	—	Trading of household electronic and electrical products
Sang Tech Industries Limited	Hong Kong	HK\$1,000,000	100	—	Manufacture of plastic parts
Solar Wide Industrial Limited	Hong Kong	HK\$2,000,000	75.725	—	Manufacture of electronic products
Solar Wide (Overseas) Limited	BVI/The PRC	US\$1	—	100	Manufacture of electronic products
Techtronic Appliances Holdings Company Limited	Bermuda	US\$12,000	100	—	Investment holding
Techtronic Appliances (Hong Kong) Limited	Hong Kong	HK\$2	—	100	Trading and manufacture of floor care products
Vax Limited	The United Kingdom	£33,000	100	—	Assembly, procurement and distribution of floor care products
Vax Appliances (Australia) Pty. Ltd.	Australia	A\$1,200,008	100	—	Assembly and distribution of floor care products

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

40. PARTICULARS OF ASSOCIATES

Particulars of the associates as at 31st December 2003 are as follows:

Name of associate	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of nominal value of issue capital held by the Company		Principal activities
			Directly %	Indirectly %	
Gimelli International (Holdings) Limited	The Cayman Islands	US\$6,250	40.8	—	Investment holding
Gimelli Laboratories Company Limited	Hong Kong	HK\$5,000,000	—	100	Manufacture and trading of electrical and dental care products
Gimelli Produktions A.G.	Switzerland	CHF105,000	—	100	Marketing and research and development
Precision Technology Industries Limited	Bermuda	US\$9,000,000	25	—	Manufacture of power tools products

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the six months ended 30th June 2004

		2004	2003	2004	2003
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
				<i>(Note 13)</i>	<i>(Note 13)</i>
Turnover	2	6,724,115	4,814,649	862,066	617,263
Cost of sales		<u>(4,720,044)</u>	<u>(3,519,725)</u>	<u>(605,134)</u>	<u>(451,247)</u>
Gross profit		2,004,071	1,294,924	256,932	166,016
Other operating income		14,074	33,377	1,804	4,279
Interest income		22,155	5,361	2,840	687
Selling, distribution, advertising and warranty expenses		<u>(693,737)</u>	<u>(474,426)</u>	<u>(88,941)</u>	<u>(60,824)</u>
Administrative expenses		<u>(762,714)</u>	<u>(496,323)</u>	<u>(97,785)</u>	<u>(63,631)</u>
Research and development costs		<u>(164,759)</u>	<u>(69,842)</u>	<u>(21,123)</u>	<u>(8,954)</u>
Profit from operations and tax taxation	3	419,090	293,071	53,727	37,573
Finance costs		<u>(58,702)</u>	<u>(38,990)</u>	<u>(7,526)</u>	<u>(4,999)</u>
Profit before share of results of associates and taxation		360,388	254,081	46,201	32,574
Share of results of associates		<u>(626)</u>	<u>187</u>	<u>(80)</u>	<u>24</u>
Profit before taxation		359,762	254,268	46,121	32,598
Taxation	4	<u>(42,677)</u>	<u>(30,437)</u>	<u>(5,471)</u>	<u>(3,902)</u>
Profit before minority interests		317,085	223,831	40,650	28,696
Minority interests		<u>(18,227)</u>	<u>(13,008)</u>	<u>(2,337)</u>	<u>(1,668)</u>
Profit for the period		<u><u>298,858</u></u>	<u><u>210,823</u></u>	<u><u>38,313</u></u>	<u><u>27,028</u></u>
Dividend	5	<u><u>(118,444)</u></u>	<u><u>(65,388)</u></u>	<u><u>(15,185)</u></u>	<u><u>(8,383)</u></u>
Earnings per share	6				
Basic (HK / US cents)		<u><u>22.49</u></u>	<u><u>16.28</u></u>	<u><u>2.88</u></u>	<u><u>2.09</u></u>
Diluted (HK / US cents)		<u><u>21.78</u></u>	<u><u>15.91</u></u>	<u><u>2.79</u></u>	<u><u>2.04</u></u>

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

CONDENSED CONSOLIDATED BALANCE SHEET

as at 30th June 2004

		30th June	31st December	30th June	31st December
		2004	2003	2004	2003
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Note 13)</i>	<i>(Note 13)</i>
ASSETS					
Non-current assets					
Property, plant and equipment		863,915	904,356	110,758	115,943
Goodwill		635,580	652,760	81,485	83,687
Negative goodwill		(31,023)	(33,175)	(3,977)	(4,253)
Intangible assets		178,669	25,154	22,906	3,225
Interests in associates		132,124	118,394	16,939	15,179
Investments in securities		38,608	41,419	4,950	5,310
Deferred tax assets		300,706	273,937	38,552	35,120
Other assets		1,195	1,195	153	153
		<u>2,119,774</u>	<u>1,984,040</u>	<u>271,766</u>	<u>254,364</u>
Current assets					
Inventories		2,539,274	2,491,650	325,548	319,442
Trade and other receivables	7	1,579,099	2,197,789	202,449	281,768
Deposits and prepayments		328,424	293,408	42,106	37,616
Bills receivable		122,984	36,409	15,767	4,668
Investments in securities		5,635	5,575	722	715
Tax recoverable		1,123	51,274	144	6,574
Trade receivable from associates		40	48	5	6
Bank balances, deposits and cash		1,970,998	2,586,075	252,692	331,548
		<u>6,547,577</u>	<u>7,662,228</u>	<u>839,433</u>	<u>982,337</u>
Current liabilities					
Trade, bills and other payables	8	3,427,325	4,894,161	439,401	627,457
Warranty provision		183,122	208,552	23,477	26,737
Trade payable to an associate		9,319	3,230	1,195	414
Tax payable		108,165	68,114	13,867	8,733
Dividend payable		118,444	—	15,185	—
Obligations under finance leases					
– due within one year		2,988	5,485	383	703
Borrowings – due within one year		549,011	497,975	70,386	63,843
		<u>4,398,374</u>	<u>5,677,517</u>	<u>563,894</u>	<u>727,887</u>
Net current assets		<u>2,149,203</u>	<u>1,984,711</u>	<u>275,539</u>	<u>254,450</u>

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

CONDENSED CONSOLIDATED BALANCE SHEET *(Continued)*

as at 30th June 2004

		30th June 2004	31st December 2003	30th June 2004	31st December 2003
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
		(Unaudited)	(Audited)	(Note 13)	(Note 13)
Total assets less current liabilities		4,268,977	3,968,751	547,305	508,814
CAPITAL AND RESERVES					
Share capital	9	133,663	132,497	17,136	16,987
Reserves		2,614,167	2,380,387	335,150	305,178
		<u>2,747,830</u>	<u>2,512,884</u>	<u>352,286</u>	<u>322,165</u>
MINORITY INTERESTS		<u>64,601</u>	<u>46,374</u>	<u>8,282</u>	<u>5,945</u>
NON-CURRENT LIABILITIES					
Obligations under finance leases					
– due after one year		3,148	14,261	404	1,828
Borrowings – due after					
one year		1,405,489	1,348,497	180,191	172,884
Deferred tax liabilities		47,909	46,735	6,142	5,992
		<u>1,456,546</u>	<u>1,409,493</u>	<u>186,737</u>	<u>180,704</u>
		<u>4,268,977</u>	<u>3,968,751</u>	<u>547,305</u>	<u>508,814</u>

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

for the six months ended 30th June 2004

	30th June 2004	30th June 2003	30th June 2004	30th June 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
			<i>(Note 13)</i>	<i>(Note 13)</i>
Net Cash used in Operating Activities	(490,549)	(542,771)	(62,891)	(69,586)
Net Cash used in Investing Activities	(267,791)	(897,056)	(34,332)	(115,007)
Net Cash from Financing Activities	<u>151,482</u>	<u>786,548</u>	<u>19,421</u>	<u>100,839</u>
Net Decrease in Cash and Cash Equivalents	(606,858)	(653,279)	(77,802)	(83,754)
Cash and Cash Equivalents at 1st January	2,444,098	1,753,900	313,346	224,859
Effect of Foreign Exchange Rate Changes	<u>(5,789)</u>	<u>46,370</u>	<u>(743)</u>	<u>5,945</u>
Cash and Cash Equivalents at 30th June	<u><u>1,831,451</u></u>	<u><u>1,146,991</u></u>	<u><u>234,801</u></u>	<u><u>147,050</u></u>
Analysis of the Balances of Cash and Cash Equivalents				
Represented by:				
Bank balances, deposits and cash	1,970,998	1,288,907	252,692	165,244
Bank overdrafts	<u>(139,547)</u>	<u>(141,916)</u>	<u>(17,891)</u>	<u>(18,194)</u>
	<u><u>1,831,451</u></u>	<u><u>1,146,991</u></u>	<u><u>234,801</u></u>	<u><u>147,050</u></u>

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the six months ended 30th June 2004

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st January 2003	129,143	613,499	(16,769)	1,102,064	1,827,937
Exchange differences on translation of overseas operations not recognised in the income statement	—	—	37,423	—	37,423
Shares issued at a premium	1,633	26,417	—	—	28,050
Profit for the period	—	—	—	210,823	210,823
Final dividend – 2002	—	—	—	(65,388)	(65,388)
	<u>130,776</u>	<u>639,916</u>	<u>20,654</u>	<u>1,247,499</u>	<u>2,038,845</u>
At 30th June 2003					
At 1st January 2004	132,497	672,083	45,519	1,662,785	2,512,884
Exchange differences on translation of overseas operations not recognised in the income statement	—	—	(4,237)	—	(4,237)
Shares issued at a premium	1,166	57,603	—	—	58,769
Profit for the period	—	—	—	298,858	298,858
Final Dividend – 2003	—	—	—	(118,444)	(118,444)
	<u>133,663</u>	<u>729,686</u>	<u>41,282</u>	<u>1,843,199</u>	<u>2,747,830</u>
At 30th June 2004					

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of preparation

The unaudited interim results of the Group have been prepared in accordance with the Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants on a basis consistent with the accounting policies adopted in the report and financial statements for the year ended 31st December 2003.

Certain comparative figures have been reclassified to conform with the current period's presentation.

2. Segment information

	Six months period ended 30th June			
	Turnover		Segment Results	
	2004	2003	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
By principal activity:				
Manufacture and Trading of				
Power Equipment Products	4,711,892	3,467,171	294,282	198,682
Floor care appliances	1,717,292	1,121,715	80,457	58,135
Solar powered, laser and electronic measuring products	294,931	225,763	59,379	41,698
	<u>6,724,115</u>	<u>4,814,649</u>	434,118	298,515
Amortisation of goodwill			(17,180)	(7,596)
Release of negative goodwill to income			2,152	2,152
Contributions to profit from operations			<u>419,090</u>	<u>293,071</u>
By geographical market location:				
North America	5,259,245	3,784,207	366,423	236,667
Europe	1,084,364	766,976	66,244	45,095
Other countries	380,506	263,466	1,451	16,753
	<u>6,724,115</u>	<u>4,814,649</u>	434,118	298,515
Amortisation of goodwill			(17,180)	(7,596)
Release of negative goodwill to income			2,152	2,152
Contributions to Profit From Operations			<u>419,090</u>	<u>293,071</u>

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

3. Profit from operations

	Six Months Period ended 30th June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit from operations has been arrived after charging (crediting):		
Depreciation and amortisation of property, plant and equipment	160,746	137,085
Amortisation of intangible assets	4,597	2,531
Amortisation of goodwill	17,180	7,596
Release of negative goodwill to income	(2,152)	(2,152)
Staff costs	<u>646,596</u>	<u>492,411</u>

4. Taxation

	Six Months Period ended 30th June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
The total tax charge comprises:		
Hong Kong Profits Tax calculated at 17.5% of the estimated assessable profit for the period	33,531	23,009
Overseas Tax	14,501	7,266
Deferred Tax	<u>(5,355)</u>	<u>162</u>
	<u>42,677</u>	<u>30,437</u>

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Deferred tax has been provided for at the rate that is expected to apply in the period when the liability is settled or the asset is realised.

5. Dividend

The 2003 final dividend declared at HK17.75 cents and 2003 interim dividend paid at HK7.25 cents per existing share are adjusted to HK8.875 cents and HK3.625 cents per subdivided share respectively.

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

6. Earnings per share

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

	Six Months Period ended 30th June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the period	<u>298,858</u>	<u>210,823</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,328,955,297	1,295,481,764
Effect of dilutive potential ordinary shares:		
Options	<u>43,371,852</u>	<u>29,424,128</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,372,327,149</u>	<u>1,324,905,892</u>

The comparative amounts of the earnings per share and weighted average number of ordinary shares have been adjusted for the effect of the subdivision of the Company's shares during the period.

7. Trade and other receivables

The Group has a policy of allowing credit periods ranging from 60 days to 120 days. The aging analysis of trade receivables is as follows:

	30th June	31st December
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	1,231,410	1,711,577
61 to 120 days	200,085	346,828
121 days or above	<u>26,142</u>	<u>26,918</u>
Total trade receivables	1,457,637	2,085,323
Other receivables	<u>121,462</u>	<u>112,466</u>
	<u>1,579,099</u>	<u>2,197,789</u>

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

8. Trade, bills and other payables

The aging analysis of trade payables is as follows:

	30th June 2004	31st December 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	932,301	1,042,276
61 to 120 days	98,719	202,605
121 days or above	9,770	7,263
	<hr/>	<hr/>
Total trade payables	1,040,790	1,252,144
Bills payables	1,606,915	2,809,963
Other payables	779,620	832,054
	<hr/>	<hr/>
	<u>3,427,325</u>	<u>4,894,161</u>

9. Share capital

	Number of shares		Share capital	
	30th June 2004	31st December 2003	30th June 2004	31st December 2003
			<i>HK\$'000</i>	<i>HK\$'000</i>
Ordinary shares				
<i>Authorised:</i>				
At 1st January of HK\$0.20 each	800,000,000	800,000,000	160,000	160,000
Increased in authorised share capital of HK\$0.20 each	400,000,000	—	80,000	—
Subdivision of one share of HK\$0.20 each into two shares of HK\$0.10 each	1,200,000,000	—	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
Shares of HK\$0.10 each (2003 : HK\$0.20 each)	<u>2,400,000,000</u>	<u>800,000,000</u>	<u>240,000</u>	<u>160,000</u>
<i>Issued and fully paid:</i>				
At 1st January of HK\$0.20 each	662,486,826	645,716,826	132,497	129,143
Issued on exercise of share options	8,657,000	16,770,000	1,166	3,354
Subdivision of one share of HK\$0.20 each into two shares of HK\$0.10 each	665,481,826	—	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
Shares of HK\$0.10 each (2003: HK\$0.20 each)	<u>1,336,625,652</u>	<u>662,486,826</u>	<u>133,663</u>	<u>132,497</u>

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

On 28th May 2004, ordinary resolutions were passed by the shareholders of the Company to approve the increase (the "Increase") in the authorised share capital of the Company to HK\$240,000,000 and the subdivision (the "Subdivision") of each issued and unissued shares of HK\$0.20 each in the authorised share capital into two ordinary shares of HK\$0.10 each. The Increase and the Subdivision became effective on 28th and 31st May 2004 respectively.

The shares issued during the period rank pari passu in all respects with the existing shares.

10. Capital commitments

	30th June 2004	31st December 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital expenditure contracted for but not provided in the financial statements in respect of the purchase of property, plant and equipment	<u>108,716</u>	<u>85,598</u>
Capital expenditure authorised but not contracted for in the financial statements in respect of the purchase of property, plant and equipment	<u>12,518</u>	<u>3,398</u>

11. Contingent liabilities

	30th June 2004	31st December 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Guarantees given to banks in respect of credit facilities utilised by associates	25,288	16,904
Bills discounted with recourse	<u>269,892</u>	<u>180,133</u>
	<u>295,180</u>	<u>197,037</u>

12. Post balance sheet event

On 16th June 2004 the Group announced the issue of five year Zero Coupon Convertible Bonds at par. The aggregate principal amount of the Bonds was US\$140 million (approximately HK\$1,092 million). The Bonds will be due in 2009 and convertible into Ordinary Shares of the Company. The initial conversion price is HK\$16.56 per share, representing a premium of 38% over the closing price of the share on The Stock Exchange of Hong Kong Limited on 16th June 2004. Assuming full conversion of the Bonds at the initial conversion price of HK\$16.56 per share, the Bonds will be converted into approximately 65,922,584 shares, representing approximately 4.93% of the issued share capital of the Company as at the date of announcement and approximately 4.71% of the issued share capital of the Company as enlarged by the issue of the conversion shares. Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Bond at 107.76% of its principal amount on the maturity date of 8th July 2009. However, on or after 8th July 2007 and prior to the maturity date, the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of the Bonds at 104.59% of their principal amount.

**APPENDIX II UNAUDITED INTERIM RESULTS OF THE TECHTRONIC GROUP
FOR THE SIX MONTHS ENDED 30TH JUNE 2004**

The Bond issue raised immediate funds that can be used for general corporate and working capital purposes including financing possible acquisitions and when converted will enlarge the shareholder capital base, which will facilitate the development and expansion of the Company.

The issue of the Bonds was successfully closed on 8th July 2004.

13. US Dollar Equivalent

These are shown for reference only and have been arrived at based on the fixed exchange rate of HK\$7.8 to US\$1.



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23rd November, 2004

The Directors
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24/F, CDW Building
388 Castle Peak Road
Tsuen Wan
New Territories
Hong Kong

UBS AG
52/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") regarding the electric power tools and accessories businesses of Atlas Copco AB, currently conducted under the brand names "Milwaukee®", "AEG®" and "DreBo®" (hereinafter collectively referred to as the "Group") for the three years ended 31st December 2001, 2002, 2003 and six months ended 30th June 2004 (the "Relevant Periods") for inclusion in the circular issued by Techtronic Industries Co. Ltd. (the "Company") dated 23rd November, 2004 (the "Circular") in connection with its acquisition of companies comprising the Milwaukee®, AEG® and DreBo® electric power tools and accessories businesses of Atlas Copco AB.

The combined financial statements of the Group for the Relevant Periods, which were prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board (the "Underlying IFRS Financial Statements"), were audited by KPMG Bohlins AB.

For the purpose of this report, we have examined the Underlying IFRS Financial Statements of the Group for the Relevant Periods. Our examination was made in accordance with the Auditing Guideline "Prospectuses and the Reporting Accountants" as recommended by the Hong Kong Institute of Certified Public Accountants.

The Underlying IFRS Financial Statements are the responsibility of the directors of Atlas Copco AB who approved their issue. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying IFRS Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, on the basis of presentation set out in note 1 of Section A below, the Financial Information together with the notes thereon gives, for the purpose of this report, a true and fair view of the combined results and cash flows of the Group for the Relevant Periods and of the state of affairs of the Group as at 31st December 2001, 31st December 2002, 31st December 2003 and 30th June 2004.

A. FINANCIAL INFORMATION

Combined income statements

	<i>Notes</i>	Year ended 31st December			Six months ended
		2001	2002	2003	30th June 2004
		<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>
Revenue		644.7	664.5	692.7	352.0
Cost of sales		(475.3)	(487.5)	(503.7)	(245.2)
Gross profit		169.4	177.0	189.0	106.8
Other operating income		0.7	0.2	2.1	0.4
Selling, distribution, advertising and warranty expenses		(70.2)	(77.8)	(80.7)	(44.2)
Administrative expenses		(34.1)	(33.6)	(40.1)	(21.7)
Research and development costs	4	(21.5)	(21.0)	(20.2)	(11.1)
Other operating expenses		(12.2)	(13.5)	(13.8)	(6.8)
Profit from operations	4	32.1	31.3	36.3	23.4
Interest income	5	0.9	1.2	1.1	0.4
Finance costs	6	(8.2)	(6.2)	(7.7)	(4.0)
Profit before taxation		24.8	26.3	29.7	19.8
Taxation	7	(13.0)	(14.6)	(16.7)	(9.2)
Profit for the year/period		<u>11.8</u>	<u>11.7</u>	<u>13.0</u>	<u>10.6</u>
Dividend	8	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Combined balance sheets

	Notes	At 31st December			At
		2001 US\$ Million	2002 US\$ Million	2003 US\$ Million	30th June 2004 US\$ Million
Non-current assets					
Property, plant and equipment	11	128.4	128.9	139.4	147.7
Goodwill	12	369.4	358.4	392.0	385.9
Other intangible assets	13	4.3	7.2	13.6	14.6
Deferred tax assets	23	19.1	19.8	18.2	19.0
Other assets		4.1	3.5	4.1	4.0
		<u>525.3</u>	<u>517.8</u>	<u>567.3</u>	<u>571.2</u>
Current assets					
Inventories	14	100.1	126.9	118.7	125.0
Trade and other receivables	15	109.3	116.0	122.2	128.7
Amounts due from related parties	29	36.1	42.9	67.4	71.9
Tax recoverable		0.2	—	—	0.1
Bank balances and cash		1.1	1.4	1.8	2.1
		<u>246.8</u>	<u>287.2</u>	<u>310.1</u>	<u>327.8</u>
Total assets		<u>772.1</u>	<u>805.0</u>	<u>877.4</u>	<u>899.0</u>
Equity		<u>505.3</u>	<u>512.8</u>	<u>534.8</u>	<u>551.8</u>
Current liabilities					
Trade and other payables	17	77.9	91.2	86.8	93.0
Retirement benefit obligations	24	60.3	70.2	83.2	81.7
Amounts due to related parties	29	81.7	81.2	117.4	105.5
Tax payable		0.1	—	—	0.6
Obligations under finance leases – due within one year	19	—	—	0.1	—
Other loans	20	2.2	1.4	1.4	1.0
Provisions	22	9.3	10.5	12.6	13.4
		<u>231.5</u>	<u>254.5</u>	<u>301.5</u>	<u>295.2</u>
Non-current liabilities					
Obligations under finance leases – due after one year	19	1.1	1.5	2.9	18.8
Other payables	21	4.3	4.7	4.5	4.4
Provisions	22	1.3	5.7	5.0	1.6
Deferred tax liabilities	23	28.6	25.8	28.7	27.2
		<u>35.3</u>	<u>37.7</u>	<u>41.1</u>	<u>52.0</u>
Total equity and liabilities		<u>772.1</u>	<u>805.0</u>	<u>877.4</u>	<u>899.0</u>

Combined statements of changes in equity

	Translation reserve <i>US\$ Million</i>	Retained profits <i>US\$ Million</i>	Total <i>US\$ Million</i>
At 1st January 2001	—	512.4	512.4
Exchange differences on translation of overseas operations not recognised in the combined income statement	(2.1)	—	(2.1)
Profit for the year	—	11.8	11.8
Distribution to, net of contributions from, the Group	—	(16.8)	(16.8)
	<hr/>	<hr/>	<hr/>
At 31st December 2001	(2.1)	507.4	505.3
Exchange differences on translation of overseas operations not recognised in the combined income statement	5.9	—	5.9
Profit for the year	—	11.7	11.7
Distribution to, net of contributions from, the Group	—	(10.1)	(10.1)
	<hr/>	<hr/>	<hr/>
At 31st December 2002	3.8	509.0	512.8
Exchange differences on translation of overseas operations not recognised in the combined income statement	14.7	—	14.7
Profit for the year	—	13.0	13.0
Distribution to, net of contributions from, the Group	—	(5.7)	(5.7)
	<hr/>	<hr/>	<hr/>
At 31st December 2003	18.5	516.3	534.8
Change in accounting principles (<i>note 2</i>)	—	(0.8)	(0.8)
Exchange differences on translation of overseas operations not recognised in the combined income statement	(3.5)	—	(3.5)
Profit for the period	—	10.6	10.6
Distribution to, net of contributions from, the Group	—	10.7	10.7
	<hr/>	<hr/>	<hr/>
At 30th June 2004	<u>15.0</u>	<u>536.8</u>	<u>551.8</u>

Combined cash flow statements

	Note	Year ended 31st December			Six months ended
		2001	2002	2003	30th June 2004
		US\$ Million	US\$ Million	US\$ Million	US\$ Million
Operating activities					
Profit from operations		32.1	31.3	36.3	23.4
Adjustments for:					
Amortisation of goodwill		11.0	11.0	12.6	6.7
Amortisation of other intangible assets		0.7	0.6	0.9	0.9
Depreciation and amortisation on property, plant and equipment		21.5	24.3	26.4	13.2
Loss on disposal of property, plant and equipment		0.5	1.3	1.0	—
Operating cash flows before movements in working capital		65.8	68.5	77.2	44.2
Decrease (increase) in inventories		16.6	(21.1)	24.1	(7.9)
Decrease (increase) in trade and other receivables		11.8	4.9	9.6	(10.6)
(Decrease) increase in trade and other payables		(12.1)	9.2	(12.3)	7.6
Cash generated from operations		82.1	61.5	98.6	33.3
Income taxes paid		(11.5)	(17.8)	(15.4)	(11.0)
Interest paid		(8.2)	(6.2)	(7.7)	(4.0)
Net cash from operating activities		62.4	37.5	75.5	18.3
Investing activities					
Interest received		0.9	1.2	1.1	0.4
Proceeds from disposal of property, plant and equipment		0.9	0.6	1.0	1.2
Purchase of property, plant and equipment		(19.6)	(20.2)	(21.4)	(8.5)
Additions to other intangible assets		(0.6)	(2.7)	(4.6)	(2.1)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	25	—	—	(61.6)	(1.8)
(Increase) decrease in other assets		(0.1)	0.5	(0.7)	—
Net cash used in investing activities		(18.5)	(20.6)	(86.2)	(10.8)

Combined cash flow statements (Continued)

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June 2004
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Financing activities				
Others short-term loans raised (paid)	0.5	0.4	2.9	(0.4)
Distribution to, net of contributions from, the Group	(16.8)	(10.1)	(5.7)	10.7
Net amount (repaid) advanced to related companies	(28.7)	(7.1)	13.7	(17.4)
	<u>(45.0)</u>	<u>(16.8)</u>	<u>10.9</u>	<u>(7.1)</u>
Net cash (used in) from financing activities				
	(1.1)	0.1	0.2	0.4
Net (decrease) increase in cash and cash equivalents				
Cash and cash equivalents at beginning of the year/period	2.7	1.1	1.4	1.8
Effect of foreign exchange rate changes	(0.5)	0.2	0.2	(0.1)
	<u>1.1</u>	<u>1.4</u>	<u>1.8</u>	<u>2.1</u>
Cash and cash equivalents at end of the year/period				

Notes to the financial information**1. BASIS OF PRESENTATION OF FINANCIAL INFORMATION**

The Financial Information presents the combined results, combined cash flow statements, combined statements of changes in equity and combined balance sheets of the Group on the basis that the Group, for the purpose of this report, is regarded as a continuing entity and that the current group structure had been in existence since 1st January 2001.

The Group is a part of the group of companies of Atlas Copco AB. The Group has a comprehensive portfolio of both corded and cordless electric power tools designed for professional use. The products range from drills, saws, grinders and hammers to tools designed for specific applications such as screw-shooter systems and cordless caulking guns among others. The Group also has significant accessory sales.

The Financial Information, for the periods presented herein, has been prepared on a carve-out basis. In addition to the financial information for legal entities which are wholly dedicated to the Group, the Financial Information includes the assets, liabilities, sales and expenses of other legal entities which are not totally dedicated to the Group. They also include amounts that have been pushed down from Atlas Copco AB in order to depict the financial position, results of operations and cash flows of the Group on a stand-alone basis. It also includes certain allocations and transactions with related parties as discussed further in note 29. All significant intercompany transactions have been eliminated in the preparation of the Financial Information.

For operations which are part of legal entities which are not totally dedicated to the business, the pension and other post retirement benefit costs have been based on the charges incurred by the individual operations in respect of the specific plans of which employees are members. Pension plans are discussed further in note 24.

Historically, the results of the Group have been included in the combined income tax returns filed by the various legal entities to which the operations belonged or to tax groups within the Atlas Copco group of companies. Income tax expense in the Financial Information of the Group has been calculated on a separate stand-alone tax return basis.

In the opinion of management, all material adjustments necessary for the fair presentation of financial position, operating results and cash flows have been presented. The Financial Information included herein may not necessarily be indicative of the combined results of operations, financial position, changes in equity and cash flows of the Group in the future or what they would have been for the periods presented if the Group had been a separate, stand-alone entity.

Atlas Copco AB presents the Financial Information in United States dollar since this is the currency in which the majority of the Group's transactions are denominated.

Except for some presentational differences, there is no material difference between IFRS and accounting principles generally accepted in Hong Kong which might have a significant impact on the combined financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared under the historical cost convention. The principal accounting policies which have been adopted in preparing the Financial Information and which are in accordance with International Financial Reporting Standards ("IFRS") are as follows:

Changes in accounting principles

For the purpose of presenting these Financial Information, management has adjusted the accounting to comply with IFRS in all material respects for the periods presented including adjustments of all material post employment benefit plans. As of 1st January 2004, the Group implemented International Accounting Standard ("IAS") IAS 19 "Employee Benefits". The effect of adopting this standard relates to non-material post-retirement benefit plans and amounted to US\$0.8 million at the date of adoption.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet. Goodwill is evaluated for impairment on a regular basis by estimating the discounted future cash flows of the Group to which the goodwill relates.

On disposal of a subsidiary, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Sales of goods are recognised when goods are delivered and the significant risks and rewards of ownership has passed.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less accumulated depreciation and any identified impairment losses.

Depreciation is charged to write off the cost of the assets other than construction in progress, over their estimated useful lives, using the straight-line method on the following bases:

Freehold land	Nil
Buildings	25 to 50 years
Machinery and equipment	3 to 10 years

Construction in progress represents assets in the course of construction for production, or administrative purposes, or for purposes not yet determined, and are carried at cost, less any identified impairment loss. Cost includes all construction expenditure and other direct costs, including professional fees, attributable to such projects. Costs on completed construction work are transferred to other appropriate category of property, plant and equipment and depreciation of these assets is charged, on the same basis as other assets, until the construction of the related assets is completed.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the combined income statement.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible assets arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over its estimated useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Other assets

Other assets are stated at cost less any identified impairment losses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value is determined as the estimated net selling price less all further costs of production and the related costs of marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables and amounts due from related parties are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables

Trade and other payables and amounts due to related parties are stated at their nominal value.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis to the combined income statement using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Leasing

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair values at the date of acquisition. The corresponding liability to the lessor, net of interest charges, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the annual rentals are charged to the income statement on a straight-line basis over the relevant lease term.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

The financial records of the Group are principally maintained in United States dollar and Euros. Transactions in currencies other than United States dollar and Euros are initially recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in such currencies are re-translated at the rates prevailing on the balance sheet date. Gains and losses arising on exchange are included in net profit or loss for the year.

On combination, the assets and liabilities of the Group's operations are translated into United States dollar at the exchange rate prevailing at the balance sheet date. Income and expense items are translated into United States dollar at the average exchange rate for the Relevant Periods. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The Group's net obligation with respect to defined benefit plans and other long-term service benefits other than pensions is calculated separately for each plan using the projected unit credit method by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value. The discount rates used are based on high-quality fixed-income debt instruments that have maturity dates approximating the terms of the obligations.

Derivative financial instruments

The Group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such derivatives are initially recorded at cost, if any, and are remeasured to fair value at subsequent reporting dates.

As the Group has not adopted the requirements for formally designating and documenting the instruments as a hedge, the adjustments to fair value have been included in the income statement.

Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for warranty costs are recognised at the date of sale of the relevant products, based on the estimated cost using historical data for level of repairs and replacements. Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that it has either commenced or has been announced publicly.

3. SEGMENTAL INFORMATION

Business segments

All of the Group's turnover, assets and liabilities were engaged in the manufacture and sales of electric power tools products and related accessories. Accordingly, no analysis of financial information by business segment is presented.

Geographical segments

	North America <i>US\$ Million</i>	Europe <i>US\$ Million</i>	Other countries <i>US\$ Million</i>	Elimination <i>US\$ Million</i>	Total <i>US\$ Million</i>
<i>For the year ended 31st December 2001</i>					
REVENUE					
External sales	470.6	162.2	11.9	—	644.7
Inter-segment sales *	4.6	22.5	—	(27.1)	—
Total	<u>475.2</u>	<u>184.7</u>	<u>11.9</u>	<u>(27.1)</u>	<u>644.7</u>
<i>* Inter-segment sales are charged at prevailing market rates.</i>					
RESULT					
Segment results	<u>32.1</u>	<u>—</u>	<u>—</u>	<u>—</u>	32.1
Interest income					0.9
Finance costs					<u>(8.2)</u>
Profit before taxation					24.8
Taxation					<u>(13.0)</u>
Profit for the year					<u>11.8</u>
<i>Other information for the year ended 31st December 2001</i>					
Capital additions	14.9	5.3	—	—	20.2
Depreciation and amortisation	<u>26.4</u>	<u>6.8</u>	<u>—</u>	<u>—</u>	<u>33.2</u>
<i>Assets and liabilities as at 31st December 2001</i>					
ASSETS					
Segment assets	610.5	99.4	4.9	—	714.8
Unallocated corporate assets					<u>57.3</u>
Combined total assets					<u>772.1</u>
LIABILITIES					
Segment liabilities	66.3	24.5	2.0	—	92.8
Unallocated corporate liabilities					<u>174.0</u>
Combined total liabilities					<u>266.8</u>

	North America US\$ Million	Europe US\$ Million	Other countries US\$ Million	Elimination US\$ Million	Total US\$ Million
<i>For the year ended 31st December 2002</i>					
REVENUE					
External sales	489.2	161.0	14.3	—	664.5
Inter-segment sales *	14.6	28.4	—	(43.0)	—
Total	<u>503.8</u>	<u>189.4</u>	<u>14.3</u>	<u>(43.0)</u>	<u>664.5</u>

* Inter-segment sales are charged at prevailing market rates.

RESULT					
Segment results	<u>32.3</u>	<u>(1.5)</u>	<u>0.5</u>	<u>—</u>	31.3
Interest income					1.2
Finance costs					<u>(6.2)</u>
Profit before taxation					26.3
Taxation					<u>(14.6)</u>
Profit for the year					<u>11.7</u>

*Other information for the year
ended 31st December 2002*

Capital additions	15.8	7.1	—	—	22.9
Depreciation and amortisation	<u>29.2</u>	<u>6.7</u>	<u>—</u>	<u>—</u>	<u>35.9</u>

*Assets and liabilities
as at 31st December 2002*

ASSETS					
Segment assets	608.7	124.7	6.6	—	740.0
Unallocated corporate assets					<u>65.0</u>
Combined total assets					<u>805.0</u>
LIABILITIES					
Segment liabilities	75.9	32.8	3.3	—	112.0
Unallocated corporate liabilities					<u>180.2</u>
Combined total liabilities					<u>292.2</u>

	North America US\$ Million	Europe US\$ Million	Other countries US\$ Million	Elimination US\$ Million	Total US\$ Million
<i>For the year ended 31st December 2003</i>					
REVENUE					
External sales	477.8	195.6	19.3	—	692.7
Inter-segment sales *	11.3	25.7	—	(37.0)	—
Total	<u>489.1</u>	<u>221.3</u>	<u>19.3</u>	<u>(37.0)</u>	<u>692.7</u>

* Inter-segment sales are charged at prevailing market rates.

RESULT					
Segment results	<u>38.2</u>	<u>(2.7)</u>	<u>0.8</u>	<u>—</u>	36.3
Interest income					1.1
Finance costs					<u>(7.7)</u>
Profit before taxation					29.7
Taxation					<u>(16.7)</u>
Profit for the year					<u>13.0</u>

*Other information for the year
ended 31st December 2003*

Capital additions	15.1	10.9	—	—	26.0
Depreciation and amortisation	<u>29.4</u>	<u>10.5</u>	<u>—</u>	<u>—</u>	<u>39.9</u>

*Assets and liabilities
as at 31st December 2003*

ASSETS					
Segment assets	581.4	199.0	8.7	—	789.1
Unallocated corporate assets					<u>88.3</u>
Combined total assets					<u>877.4</u>
LIABILITIES					
Segment liabilities	68.0	13.5	4.8	—	86.3
Unallocated corporate liabilities					<u>256.3</u>
Combined total liabilities					<u>342.6</u>

	North America <i>US\$ Million</i>	Europe <i>US\$ Million</i>	Other countries <i>US\$ Million</i>	Elimination <i>US\$ Million</i>	Total <i>US\$ Million</i>
<i>For the six months ended 30th June 2004</i>					
REVENUE					
External sales	236.1	105.3	10.6	—	352.0
Inter-segment sales *	5.3	11.0	—	(16.3)	—
Total	<u>241.4</u>	<u>116.3</u>	<u>10.6</u>	<u>(16.3)</u>	<u>352.0</u>

* *Inter-segment sales are charged at prevailing market rates.*

RESULT					
Segment results	<u>20.2</u>	<u>2.9</u>	<u>0.3</u>	<u>—</u>	23.4
Interest income					0.4
Finance costs					<u>(4.0)</u>
Profit before taxation					19.8
Taxation					<u>(9.2)</u>
Profit for the period					<u>10.6</u>

*Other information for
the six months ended
30th June 2004*

Capital additions	7.3	19.4	—	—	26.7
Depreciation and amortisation	<u>14.4</u>	<u>6.4</u>	<u>—</u>	<u>—</u>	<u>20.8</u>

*Assets and liabilities
as at 30th June 2004*

ASSETS					
Segment assets	584.7	211.2	9.3	—	805.2
Unallocated corporate assets					<u>93.8</u>
Combined total assets					<u>899.0</u>
LIABILITIES					
Segment liabilities	74.4	31.7	6.1	—	112.2
Unallocated corporate liabilities					<u>235.0</u>
Combined total liabilities					<u>347.2</u>

4. PROFIT FROM OPERATIONS

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June
	US\$ Million	US\$ Million	US\$ Million	2004
				US\$ Million
Profit from operations has been arrived at after charging (crediting):				
Amortisation of intangible assets included in other operating expenses	0.7	0.6	0.9	0.9
Amortisation of goodwill included in other operating expenses	11.0	11.0	12.6	6.7
Auditors' remuneration	0.2	0.2	0.1	0.1
Depreciation and amortisation on property, plant and equipment	21.5	24.3	26.4	13.2
Operating lease charges:				
Premises	0.9	1.1	1.8	1.3
Motor vehicles	0.6	0.6	0.7	0.6
Plant and machinery	2.0	2.0	2.1	1.3
Other assets	1.3	2.4	2.7	1.0
Loss on disposal of property, plant and equipment	0.5	1.3	1.0	—
Research and development costs	22.0	23.7	22.6	13.1
Less: amounts capitalised	(0.5)	(2.7)	(2.4)	(2.0)
	<u>21.5</u>	<u>21.0</u>	<u>20.2</u>	<u>11.1</u>
Retirement benefits scheme contributions	15.2	16.6	16.6	8.7
Staff costs				
Directors' remuneration	—	—	—	—
Others	151.7	155.2	165.5	85.5
	<u>166.9</u>	<u>171.8</u>	<u>182.1</u>	<u>94.2</u>

Staff costs disclosed above do not include amounts of US\$14.6 million, US\$15.8 million, US\$16.1 million and US\$8.1 million relating to research and development activities, which are included under research and development costs for the years ended 31st December 2001, 2002, 2003 and for the six months ended 30th June 2004, respectively.

5. INTEREST INCOME

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June 2004
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Interest earned on bank deposits	0.1	—	—	—
Amounts due from related companies	0.8	1.2	1.1	0.4
	<u>0.9</u>	<u>1.2</u>	<u>1.1</u>	<u>0.4</u>

6. FINANCE COSTS

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June 2004
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Interest on:				
Bank and other borrowings wholly repayable within five years	3.1	3.4	4.2	2.2
Amounts due to related companies	5.0	2.7	3.4	1.6
Obligations under finance leases	0.1	0.1	0.1	0.2
	<u>8.2</u>	<u>6.2</u>	<u>7.7</u>	<u>4.0</u>

7. TAXATION

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June 2004
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
The (charge) credit comprises:				
Current tax	(11.5)	(17.8)	(15.5)	(10.9)
Deferred tax (note 23)	(1.5)	3.2	(1.2)	1.7
	<u>(13.0)</u>	<u>(14.6)</u>	<u>(16.7)</u>	<u>(9.2)</u>

Domestic income tax rate in Sweden is calculated at 28% (for the year ended 31st December 2001, 2002, 2003 and six months period ended 30th June 2004: 28%) of the estimated assessable profit for the year/period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

For the purposes of preparing the Financial Information, the income tax provision has been calculated on an attributable profit basis even though the entities in the Group included members of consolidated tax groups in the respective countries. The net operating losses in the German operations for the period presented have been utilised by the consolidated tax group in Germany and are not available to reduce future taxable income.

The charge for the year/period can be reconciled to the profit per the income statement as follows:

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June
	US\$ Million	US\$ Million	US\$ Million	2004 US\$ Million
Profit before taxation	24.8	26.3	29.7	19.8
Tax at the weighted average income tax rate	(9.8)	(10.4)	(11.6)	(7.8)
Tax effect of expenses not deductible for tax purposes	(4.7)	(4.5)	(5.4)	(2.9)
Change in tax rate	—	—	(0.1)	—
Others	1.5	0.3	0.4	1.5
Tax charge for the year/period	<u>(13.0)</u>	<u>(14.6)</u>	<u>(16.7)</u>	<u>(9.2)</u>

8. DIVIDEND

No dividend has been paid or declared by the Group during the Relevant Periods.

9. EARNINGS PER SHARE

Earnings per share is not presented as such information is not meaningful having regard to the purpose of this report.

10. DIRECTORS' AND EMPLOYEES' REMUNERATION

Directors' remuneration is not presented as such information is not meaningful having regard to the purpose of this report.

Employees' emoluments

The emoluments of the five highest paid individuals for the respective period are as follows:

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June 2004
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Salaries and other benefits	0.8	1.1	1.3	0.7
Retirement benefit scheme contributions	0.1	0.1	0.2	—
Performance related incentive payments	0.1	0.3	0.1	—
	<u>1.0</u>	<u>1.5</u>	<u>1.6</u>	<u>0.7</u>

The emoluments of the five highest paid individuals were within the following bands:

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June 2004
	Nil to US\$128,000	1	—	—
US\$128,001 to US\$192,000	2	1	—	3
US\$192,001 to US\$256,000	1	1	2	—
US\$256,001 to US\$321,000	—	2	1	—
US\$321,001 to US\$385,000	1	—	1	—
US\$385,001 to US\$449,000	—	—	—	—
US\$449,001 to US\$513,000	—	—	1	—
US\$513,001 to US\$577,000	—	1	—	—
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

None of the highest paid individuals was a director of the Group.

During the Relevant Periods, no remuneration had been paid by the Group to the directors, or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors had waived any remunerations during the Relevant Periods.

The total number of employees of the Group was 3,249, 3,211, 3,135 and 2,996 at 31st December 2001, 2002 and 2003, and 30th June 2004 respectively.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings <i>US\$ Million</i>	Machinery and equipment <i>US\$ Million</i>	Construction in progress <i>US\$ Million</i>	Total <i>US\$ Million</i>
COST				
At 1st January 2001	60.0	221.2	19.4	300.6
Currency realignment	(2.0)	(5.3)	(0.2)	(7.5)
Additions	2.0	17.6	—	19.6
Transfer	—	8.5	(8.5)	—
Disposals	(0.4)	(5.9)	—	(6.3)
At 31st December 2001	59.6	236.1	10.7	306.4
Currency realignment	6.8	17.7	0.2	24.7
Addition	2.4	17.8	—	20.2
Transfer	—	2.7	(2.7)	—
Disposals	—	(7.1)	—	(7.1)
At 31st December 2002	68.8	267.2	8.2	344.2
Currency realignment	9.2	25.4	0.3	34.9
Additions	1.9	15.7	3.8	21.4
Acquisition of subsidiaries	1.2	7.3	—	8.5
Disposals	(0.2)	(11.0)	—	(11.2)
At 31st December 2003	80.9	304.6	12.3	397.8
Currency realignment	(1.8)	(5.6)	0.1	(7.3)
Additions	19.8	4.8	—	24.6
Transfer	—	3.2	(3.2)	—
Disposals	(1.6)	(3.3)	—	(4.9)
At 30th June 2004	97.3	303.7	9.2	410.2
ACCUMULATED DEPRECIATION				
At 1st January 2001	16.9	150.0	—	166.9
Currency realignment	(0.6)	(4.9)	—	(5.5)
Provided for the year	1.5	20.0	—	21.5
Eliminated on disposals	—	(4.9)	—	(4.9)
At 31st December 2001	17.8	160.2	—	178.0
Currency realignment	2.6	15.6	—	18.2
Provided for the year	1.7	22.6	—	24.3
Eliminated on disposals	—	(5.2)	—	(5.2)
At 31st December 2002	22.1	193.2	—	215.3
Currency realignment	3.8	22.1	—	25.9
Provided for the year	2.0	24.4	—	26.4
Eliminated on disposals	—	(9.2)	—	(9.2)
At 31st December 2003	27.9	230.5	—	258.4
Currency realignment	(0.4)	(5.0)	—	(5.4)
Provided for the period	1.2	12.0	—	13.2
Eliminated on disposals	(0.5)	(3.2)	—	(3.7)
At 30th June 2004	28.2	234.3	—	262.5

	Freehold land and buildings <i>US\$ Million</i>	Machinery and equipment <i>US\$ Million</i>	Construction in progress <i>US\$ Million</i>	Total <i>US\$ Million</i>
NET BOOK VALUE				
At 31st December 2001	<u>41.8</u>	<u>75.9</u>	<u>10.7</u>	<u>128.4</u>
At 31st December 2002	<u>46.7</u>	<u>74.0</u>	<u>8.2</u>	<u>128.9</u>
At 31st December 2003	<u>53.0</u>	<u>74.1</u>	<u>12.3</u>	<u>139.4</u>
At 30th June 2004	<u>69.1</u>	<u>69.4</u>	<u>9.2</u>	<u>147.7</u>

All freehold land and buildings are situated outside Hong Kong.

At 31st December 2001, 2002 and 2003 and at 30th June 2004, the carrying amount of the Group's machinery and equipment includes an amount of US\$1.1 million, US\$1.5 million, US\$2.9 million and US\$18.8 million, respectively, in respect of assets held under finance leases.

12. GOODWILL

	<i>US\$ Million</i>
COST	
At 1st January 2001, 31st December 2001 and 31st December 2002	440.0
Currency realignment	4.4
Acquisition of subsidiaries	42.0
	<hr/>
At 31st December 2003	486.4
Currency realignment	(1.3)
Additional consideration for subsidiaries acquired in previous year	1.8
	<hr/>
At 30th June 2004	486.9
	<hr/>
AMORTISATION	
At 1st January 2001	59.6
Charge for the year	11.0
	<hr/>
At 31st December 2001	70.6
Charge for the year	11.0
	<hr/>
At 31st December 2002	81.6
Currency realignment	0.2
Charge for the year	12.6
	<hr/>
At 31st December 2003	94.4
Currency realignment	(0.1)
Charge for the period	6.7
	<hr/>
At 30th June 2004	101.0
	<hr/>
NET BOOK VALUE	
At 31st December 2001	369.4
	<hr/> <hr/>
At 31st December 2002	358.4
	<hr/> <hr/>
At 31st December 2003	392.0
	<hr/> <hr/>
At 30th June 2004	385.9
	<hr/> <hr/>

Goodwill on acquisitions by the Group that are considered strategic with a considerable long-term intangible value has been assigned an estimated useful life in excess of 20 years. Acquisitions are considered strategic when they provide the Group with significant new geographic and/or product market. The Group uses an estimated useful life in excess of 20 years for the acquisition of electric power tools business under the brand name Milwaukee (the "Milwaukee Electric Tool"). Accounting principles assume that goodwill has a definite useful life and guidance was drawn from standards in effect in the United States at the time of the acquisition and a period of 40 years was chosen by management to best estimate the approximate useful life.

The Milwaukee Electric Tool operations were acquired in 1995 and were part of the Group's strategy to be a leader in the market for professional electric tools that are used for light construction and building installations in the industrial, commercial and residential construction markets. The Milwaukee Electric Tool company has a history dating back to the 1920's and is one of the best-known brand names in the United States. The acquisition provided the Group with direct and instantaneous access to critical United States market as well as introducing a new product line and customer segment. The valuable brand name and market position of Milwaukee Electric Tool has been developed considerably during its 80-year history and will provide returns far into the future. As part of brand development, the Milwaukee Electric Tool brand was re-introduced in Europe and Australia in an extensive and broad campaign in 2002 and 2003.

The Milwaukee Electric Tool company has generated and continues to generate large operating cash flows as well as deriving other benefits from a strong brand name and extensive customer list. These factors together with the information included in the previous paragraph are strong indicators of an estimated useful life in excess of 20 years.

For the year ended 31st December 2003, the addition of goodwill related to the acquisition of DreBo is being amortised over a period of 20 years.

For the six months ended 30th June 2004, the Group paid a further amount of US\$1.8 million to the former owner of DreBo to release the Group from the existing earn out clause signed at the time of the original acquisition of DreBo.

13. OTHER INTANGIBLE ASSETS

	Development cost US\$ Million	Patents and trademarks US\$ Million	Computer software US\$ Million	Total US\$ Million
COST				
At 1st January 2001	—	4.5	1.5	6.0
Currency realignment	—	(0.3)	(0.1)	(0.4)
Additions	0.5	—	0.1	0.6
At 31st December 2001	0.5	4.2	1.5	6.2
Currency realignment	—	0.8	0.4	1.2
Additions	2.7	—	—	2.7
Disposals	(0.4)	—	—	(0.4)
At 31st December 2002	2.8	5.0	1.9	9.7
Currency realignment	—	1.1	0.6	1.7
Addition	2.4	—	2.2	4.6
Acquisition of subsidiaries	—	1.6	0.4	2.0
Write off for the year	(0.2)	—	—	(0.2)
At 31st December 2003	5.0	7.7	5.1	17.8
Currency realignment	1.2	(0.1)	(1.4)	(0.3)
Additions	2.0	—	0.1	2.1
At 30th June 2004	8.2	7.6	3.8	19.6
AMORTISATION				
At 1st January 2001	—	—	1.4	1.4
Currency realignment	—	—	(0.2)	(0.2)
Charge for the year	0.3	0.3	0.1	0.7
At 31st December 2001	0.3	0.3	1.3	1.9
Currency realignment	—	0.1	0.3	0.4
Charge for the year	0.2	0.3	0.1	0.6
Eliminated on write off	(0.4)	—	—	(0.4)
At 31st December 2002	0.1	0.7	1.7	2.5
Currency realignment	(0.2)	0.2	0.4	0.4
Charge for the year	0.4	0.5	—	0.9
Acquisition of subsidiaries	—	—	0.4	0.4
At 31st December 2003	0.3	1.4	2.5	4.2
Currency realignment	0.1	(0.1)	(0.1)	(0.1)
Charge for the period	0.5	0.3	0.1	0.9
At 30th June 2004	0.9	1.6	2.5	5.0
NET BOOK VALUE				
At 31st December 2001	0.2	3.9	0.2	4.3
At 31st December 2002	2.7	4.3	0.2	7.2
At 31st December 2003	4.7	6.3	2.6	13.6
At 30th June 2004	7.3	6.0	1.3	14.6

The above intangible assets are amortised on a straight-line basis over 3 to 20 years.

14. INVENTORIES

	At 31st December		At 30th June	
	2001	2002	2003	2004
	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>
Raw materials	1.4	1.1	3.4	3.7
Work in progress	46.2	64.1	59.4	58.5
Finished goods	52.5	61.7	55.9	62.8
	<u>100.1</u>	<u>126.9</u>	<u>118.7</u>	<u>125.0</u>

As at the respective balance sheet dates, no inventories were stated at net realisable value.

15. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing credit periods of not more than 120 days.

An aged analysis of trade receivables at the respective balance sheet dates is as follows:

	THE GROUP			
	At 31st December		At 30th June	
	2001	2002	2003	2004
	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>
0 – 30 days	68.4	68.0	71.3	82.5
31 – 60 days	26.9	30.5	35.0	29.5
61 – 90 days	5.1	6.1	6.9	4.8
Over 90 days	2.6	3.7	2.7	2.5
	<u>103.0</u>	<u>108.3</u>	<u>115.9</u>	<u>119.3</u>

16. FINANCIAL ASSETS

The directors consider that the carrying amounts of trade and other receivables and amounts due from related parties approximate their fair values because of the short maturity of these instruments.

Bank balances and cash comprise cash and short-term deposits held for the treasury function of the Group. The carrying amounts of these assets approximate their fair values.

Credit risk

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the combined balance sheet are net of allowances for doubtful receivables, as estimated by the Group's management based on prior experience and the current economic environment.

The credit risk on liquid funds and derivative financial instrument is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

17. TRADE AND OTHER PAYABLES

An aged analysis of trade payables at the respective balance sheet dates is as follows:

	At 31st December		At 30th June	
	2001	2002	2003	2004
	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>
0 - 30 days	15.8	17.7	14.9	19.8
31 - 60 days	15.9	17.8	15.0	19.9
	<u>31.7</u>	<u>35.5</u>	<u>29.9</u>	<u>39.7</u>

18. FINANCIAL LIABILITIES

Trade and other payables and amounts due to related parties principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 60 days. The directors consider that the carrying amounts of trade and other payables approximate their fair values because of the short maturity of these instruments.

19. OBLIGATIONS UNDER FINANCE LEASES

The maturity of obligations under finance leases is as follows:

	Minimum lease payments				Present value of minimum lease payments			
	At 31st December			At 30th June	At 31st December			At 30th June
	2001	2002	2003	2004	2001	2002	2003	2004
	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>
Amounts payable under finance leases:								
Within one year	0.1	0.1	0.3	1.6	—	—	0.1	—
In the second to fifth year inclusive	0.7	0.7	1.5	5.2	0.2	0.2	0.4	0.5
After five years	2.1	1.9	3.7	22.4	0.9	1.3	2.5	18.3
	<u>2.9</u>	<u>2.7</u>	<u>5.5</u>	<u>29.2</u>	<u>1.1</u>	<u>1.5</u>	<u>3.0</u>	<u>18.8</u>
Less: future finance charges	(1.8)	(1.2)	(2.5)	(10.4)	—	—	—	—
Present value of lease obligations	<u>1.1</u>	<u>1.5</u>	<u>3.0</u>	<u>18.8</u>	1.1	1.5	3.0	18.8
Less: Amount due within one year shown under current liabilities					—	—	(0.1)	—
Amount due after one year					<u>1.1</u>	<u>1.5</u>	<u>2.9</u>	<u>18.8</u>

It is the Group's policy to lease certain of its machinery and equipment under finance leases. The lease terms range from one to seven years. Interest rates are fixed at the contract date and all leases are on a fixed repayment basis.

20. OTHER LOANS

Other loans represent short-term bank loans with average interest rates as follows:

	Year ended 31st December			Six months ended
	2001	2002	2003	30th June 2004
	%	%	%	%
Other loans	<u>4.7</u>	<u>2.8</u>	<u>2.9</u>	<u>2.5</u>

21. OTHER PAYABLES

Other payables consist primarily of amounts for general business liability insurance and workers' compensation in the operations in the United States of America ("USA").

22. PROVISIONS

	Warranty provision US\$ Million	Restructuring provision US\$ Million	Other US\$ Million	Total US\$ Million
At 1st January 2001	3.6	0.1	7.9	11.6
Currency realignment	(0.1)	—	(0.6)	(0.7)
Additional provision in the year	0.1	0.5	3.4	4.0
Utilisation of provision	(0.2)	—	(4.1)	(4.3)
	<u>3.4</u>	<u>0.6</u>	<u>6.6</u>	<u>10.6</u>
At 31st December 2001	3.4	0.6	6.6	10.6
Currency realignment	0.2	0.5	0.6	1.3
Additional provision in the year	2.8	4.4	2.3	9.5
Utilisation of provision	(0.1)	(0.3)	(4.8)	(5.2)
	<u>6.3</u>	<u>5.2</u>	<u>4.7</u>	<u>16.2</u>
At 31st December 2002	6.3	5.2	4.7	16.2
Currency realignment	0.2	0.8	0.7	1.7
Additional provision in the year	1.4	0.5	1.2	3.1
Acquisition of subsidiaries	0.1	—	—	0.1
Utilisation of provision	(0.7)	(2.5)	(0.3)	(3.5)
	<u>7.3</u>	<u>4.0</u>	<u>6.3</u>	<u>17.6</u>
At 31st December 2003	7.3	4.0	6.3	17.6
Currency realignment	—	—	(0.3)	(0.3)
Additional provision in the period	0.8	—	0.7	1.5
Utilisation of provision	(0.4)	(3.2)	(0.2)	(3.8)
	<u>7.7</u>	<u>0.8</u>	<u>6.5</u>	<u>15.0</u>
At 30th June 2004	<u>7.7</u>	<u>0.8</u>	<u>6.5</u>	<u>15.0</u>
At 31st December 2001:				
Non-current	0.1	—	1.2	1.3
Current	3.3	0.6	5.4	9.3
	<u>3.4</u>	<u>0.6</u>	<u>6.6</u>	<u>10.6</u>
At 31st December 2002:				
Non-current	0.1	4.6	1.0	5.7
Current	6.2	0.6	3.7	10.5
	<u>6.3</u>	<u>5.2</u>	<u>4.7</u>	<u>16.2</u>
At 31st December 2003:				
Non-current	—	3.8	1.2	5.0
Current	7.3	0.2	5.1	12.6
	<u>7.3</u>	<u>4.0</u>	<u>6.3</u>	<u>17.6</u>
At 30th June 2004:				
Non-current	0.5	—	1.1	1.6
Current	7.2	0.8	5.4	13.4
	<u>7.7</u>	<u>0.8</u>	<u>6.5</u>	<u>15.0</u>

The warranty provision represents management's best estimate of the Group's outstanding liabilities on products sold. It is based on the estimated cost using historical data for level of repairs and replacements.

The restructuring provision represents the redundancy and other costs incurred on the relocation of production assembly lines from Germany to Czech Republic.

Other provisions include primarily employee related obligations such as medical insurance in the USA operations and obligations to employees in the German operations to be paid based on certain service anniversaries. Certain amounts have also been included for legal matters.

23. DEFERRED TAX (ASSETS) LIABILITIES

The following are the major deferred tax assets and liabilities recognised and movements thereon during the Relevant Periods:

	Accelerated tax depreciation <i>US\$ Million</i>	Employee related Provisions <i>US\$ Million</i>	Tax provision <i>US\$ Million</i>	losses <i>US\$ Million</i>	Others <i>US\$ Million</i>	Total <i>US\$ Million</i>
At 1st January 2001	18.5	(6.8)	(9.4)	(4.1)	9.8	8.0
Currency realignment	—	—	—	(0.1)	0.1	—
Charge (credit) to income for the year	1.3	1.2	(1.2)	(1.8)	2.0	1.5
At 31st December 2001	19.8	(5.6)	(10.6)	(6.0)	11.9	9.5
Currency realignment	0.1	(1.4)	(0.5)	(0.9)	2.4	(0.3)
(Credit) charge to income for the year	(1.7)	(0.2)	(1.6)	(0.3)	0.6	(3.2)
At 31st December 2002	18.2	(7.2)	(12.7)	(7.2)	14.9	6.0
Currency realignment	1.3	0.8	(1.4)	(0.9)	0.5	0.3
Charge (credit) to income for the year	0.3	0.8	0.5	—	(0.4)	1.2
Acquisition of subsidiaries	2.7	—	—	—	0.3	3.0
At 31st December 2003	22.5	(5.6)	(13.6)	(8.1)	15.3	10.5
Change in accounting principles (Note 2)	—	—	(0.4)	—	—	(0.4)
Currency realignment	(0.5)	(0.4)	1.5	0.1	(0.9)	(0.2)
Charge (credit) to income for the period	0.1	(0.1)	(0.9)	—	(0.8)	(1.7)
At 30th June 2004	<u>22.1</u>	<u>(6.1)</u>	<u>(13.4)</u>	<u>(8.0)</u>	<u>13.6</u>	<u>8.2</u>
	At 31st December		At 30th June			
	2001	2002	2003	2004		
	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>		
Deferred tax assets	(19.1)	(19.8)	(18.2)	(19.0)		
Deferred tax liabilities	28.6	25.8	28.7	27.2		
	<u>9.5</u>	<u>6.0</u>	<u>10.5</u>	<u>8.2</u>		

At 31st December 2001, 2002 and 2003 and at 30th June 2004, the Group had unused tax losses of approximately US\$17.0 million, US\$20.1 million US\$24.1 million and US\$23.0 million, respectively, available for offset against future profits. A deferred tax asset has been recognised in respect of US\$12.8 million, US\$15.0 million, US\$18.0 million and US\$17.1 million, respectively, of such losses. No deferred tax asset has been recognised in respect of the remaining US\$4.2 million, US\$5.1 million, US\$6.1 million and US\$5.9 million, respectively, due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

24. RETIREMENT BENEFIT OBLIGATIONS

	At 31st December		At 30th June	
	2001	2002	2003	2004
	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>
Pension plan obligations	48.0	57.8	70.7	68.3
Post-retirement, medical, dental and life	6.9	6.9	6.8	7.0
Other	5.4	5.5	5.7	6.4
	<u>60.3</u>	<u>70.2</u>	<u>83.2</u>	<u>81.7</u>

The Group sponsors pension plans or other post-retirement benefit plans in many countries in which it has significant activities. These plans can be defined contribution or defined benefit. Expenses for defined contribution plans are included in earnings as incurred. The pension plan obligations and post-retirement medical dental and life benefits have been accounted for in accordance with IAS 19, "Employee Benefits" for all periods presented. As of 1st January 2004, all other post-employment benefits were accounted for in accordance with IAS 19 as the Group implemented this standard for all employee benefits.

The significant pension plan obligations are provided in the German operations and includes a plan that pays retirement benefits based on service and final pay. Certain employees are also entitled to payment of an early retirement pension, known as *Altersteilzeit*, prior to commencement of the normal retirement pension. The accrued benefit obligations together with the reconciliation of movement in the combined balance sheet and amount recognised in the combined income statement and principal actuarial assumptions related to these plans are as follows:

(i) Pension plan obligations

	At 31st December		At 30th June	
	2001	2002	2003	2004
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Present value of unfunded defined benefit obligations	47.5	56.0	73.4	71.5
Net actuarial gains (losses) not recognised in the balance sheet	0.5	1.8	(2.7)	(3.2)
Net liability in balance sheet	<u>48.0</u>	<u>57.8</u>	<u>70.7</u>	<u>68.3</u>
Reconciliation of movement in balance sheet provision:				
Net liability at beginning of the year/period	49.8	48.0	57.8	70.7
Net expense recognised during the year/period in the income statement	3.7	4.0	5.2	2.8
Benefits paid in respect of unfunded plans during the year/period	(2.9)	(3.0)	(3.9)	(2.5)
Exchange rate differences	(2.6)	8.8	11.6	(2.7)
Net liability at end of the year/period	<u>48.0</u>	<u>57.8</u>	<u>70.7</u>	<u>68.3</u>
The amounts recognised in the income statements are as follows:				
Current service cost	0.6	0.6	0.7	0.3
Interest on obligations	2.6	2.8	3.3	1.9
Termination benefits	0.5	0.6	1.2	0.6
Total	<u>3.7</u>	<u>4.0</u>	<u>5.2</u>	<u>2.8</u>
Principal actuarial assumptions (weighted):				
Discount rate	5.0%	5.0%	5.0%	5.0%
Rate of compensation increase	2.5%	2.5%	2.9%	2.9%
Price inflation	1.5%	1.5%	1.9%	1.9%

(ii) **Post-retirement, medical, dental and life**

Milwaukee Electric Tools in the USA has a profit-sharing plan for substantially all of its employees, which is a defined contribution plan. There is also an unfunded post-retirement, medical benefits, dental and life insurance plan. The following sets forth changes in the accumulated benefit obligation and amounts recognised in the Financial Information.

	At 31st December		At 30th June	
	2001	2002	2003	2004
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Present value of unfunded defined benefit obligations	9.8	11.0	13.3	13.3
Net actuarial losses not recognised in the balance sheet	(2.9)	(4.1)	(6.5)	(6.3)
Net liability in balance sheet	<u>6.9</u>	<u>6.9</u>	<u>6.8</u>	<u>7.0</u>
Reconciliation of movement in balance sheet provision				
Net liability at beginning of the year/period	7.0	6.9	6.9	6.8
Net expense recognised during the year in the income statement	0.8	1.2	1.3	0.8
Benefits paid in respect of unfunded plans during the year/period	(0.9)	(1.2)	(1.4)	(0.6)
Net liability at end of the year/period	<u>6.9</u>	<u>6.9</u>	<u>6.8</u>	<u>7.0</u>
The amounts recognised in the income statements are as follows				
Current service cost	0.3	0.4	0.4	0.2
Interest on obligations	0.5	0.7	0.7	0.4
Net actuarial losses recognised in the year/period	0.0	0.1	0.2	0.2
Total	<u>0.8</u>	<u>1.2</u>	<u>1.3</u>	<u>0.8</u>
Principal actuarial assumptions (weighted)				
Discount rate	7.5%	6.75%	6.0%	6.0%
Medical cost inflation (ultimate)	5.0%	5.0%	5.0%	5.0%

25. ACQUISITION OF SUBSIDIARIES

During the year ended 31st December 2003, the group acquired 100% of the voting shares of DreBo. The consideration was satisfied by cash amounting to US\$63.2 million. The transaction was accounted for using the acquisition method of accounting.

	Year ended 31st December 2003 <i>US\$ Million</i>
NET ASSETS ACQUIRED	
Property, plant and equipment	8.5
Intangible assets	1.6
Inventories	6.8
Trade and other receivables	7.2
Bank balances and cash	1.6
Trade and other payables	(4.5)
	<u>21.2</u>
Goodwill arising on acquisition	42.0
	<u>63.2</u>
Consideration satisfied by cash	<u>63.2</u>
Net cash outflow arising on acquisition:	
Cash consideration paid	63.2
Bank balances and cash acquired	(1.6)
	<u>61.6</u>
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	<u>61.6</u>

The subsidiaries acquired during the year ended 31st December 2003 contributed approximately US\$28.5 million to the Group's turnover, and approximately US\$4.7 million to the Group's profit from operations.

26. MAJOR NON-CASH TRANSACTION

During the six months ended 30th June 2004, the Group entered into finance lease arrangements in respect of acquisition of land and buildings with a total capital value at the inception of the finance leases of US\$16.1 million.

27. OPERATING LEASE COMMITMENTS**Leases**

At the respective balance sheet dates, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 31st December		At 30th June	
	2001	2002	2003	2004
	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>
Within one year	4.3	4.3	5.0	2.3
In the second to fifth year inclusive	8.8	8.3	14.5	14.6
After five years	5.6	4.2	18.6	4.6
	<u>18.7</u>	<u>16.8</u>	<u>38.1</u>	<u>21.5</u>

Leases are negotiated and rentals are fixed for an average term of two years.

28. CONTINGENT LIABILITIES

	At 31st December		At 30th June	
	2001	2002	2003	2004
	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>	<i>US\$ Million</i>
Sureties and other contingent liabilities	<u>0.1</u>	<u>0.1</u>	<u>0.3</u>	<u>0.3</u>

In addition, the Group is involved in legal cases related to patent infringements, brand marketing and product liabilities. The management of the Group believes the outcome of these legal cases will not have any significant adverse financial effect on the Group.

29. RELATED PARTY DISCLOSURES**(I) Related party transactions**

The Group entered into the following significant transactions with related parties during the Relevant Periods in which, in the opinion of the directors, are entered into in the ordinary course of business.

Nature of transactions	Year ended 31st December			Six months ended
	2001	2002	2003	30th June
	US\$ Million	US\$ Million	US\$ Million	2004 US\$ Million
Sales to other group companies of Atlas Copco AB	13.6	12.6	4.3	1.9
Accounting and administrative services to other group companies of Atlas Copco AB	5.4	5.7	7.6	3.8
Management fees to other group companies of Atlas Copco AB	<u>1.4</u>	<u>1.4</u>	<u>1.0</u>	<u>0.5</u>

For the year ended 31st December 2003, the Group entered into a lease agreement for the factory at DreBo with the former owners of DreBo. The agreement was made on market terms and annual lease payments for the six months ended 30th June 2004 amounted to approximately US\$0.7 million (2003: US\$0.9 million).

(II) Related party balances

The amounts due from/to other group companies of Atlas Copco AB represented the amounts due from/to related parties. These amounts are unsecured, non-interest bearing and have no fixed repayment terms.

B. SUBSEQUENT EVENTS

No significant event has taken place subsequent to 30th June 2004.

C. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Group in respect of any period subsequent to 30th June 2004.

Yours faithfully
Deloitte Touche Tohmatsu
Certified Public Accountants
 Hong Kong



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The Directors
Techtronic Industries Co. Ltd
24/F, CDW Building
388 Castle Peak Road
Tsuen Wan
New Territories
Hong Kong

Dear Sirs,

We report on the pro forma assets and liabilities statement set out in Appendix IV (“Pro Forma Assets and Liabilities Statement”) to the circular of Techtronic Industries Company Limited (“the Company”) dated 23rd November 2004 issued in connection with the major transaction in relation to the acquisition of companies comprising the Milwaukee[®], AEG[®], and DreBo[®] electric power tools and accessories businesses of Atlas Copco AB (the “Business”) (together with the Group hereinafter referred to as the “Enlarged Group”).

RESPONSIBILITIES

It is the responsibility solely of the Directors to prepare the Pro Forma Assets and Liabilities Statement in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”).

It is our responsibility to form an opinion, as required by the Listing Rules, on the Pro Forma Assets and Liabilities Statement and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Assets and Liabilities Statement beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We concluded our work with reference to the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 “Reporting on pro forma financial information pursuant to the Listing Rules” issued by the Auditing Practice Board in the United Kingdom. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Assets and Liabilities Statement with the Directors.

The Pro Forma Assets and Liabilities Statement has been compiled in accordance with the basis that the acquisition of the Business had been completed as at 30th June 2004 for illustrative purposes only and because of its nature, it may not be an indication of the financial position of the Enlarged Group as at 30th June 2004 or at any future date had the Acquisition of the Business actually occurred on 30th June 2004.

OPINION

In our opinion:

- (a) the Pro Forma Assets and Liabilities Statement has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the Pro Forma Assets and Liabilities Statement as disclosed pursuant to paragraph 29 of Chapter 4 of the Listing Rules.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

The following is a summary of the pro forma statement of unaudited adjusted combined assets and liabilities of the Enlarged Group based on the unaudited consolidated net assets of the Techtronic Group as at 30th June 2004 as extracted from its interim report for the six months ended 30th June 2004, and the audited consolidated net assets of the Business as at 30th June 2004 as set out in Appendix III to this circular and adjusted to reflect the effect of the Transaction.

	Unaudited consolidated balance sheet of Techtronic Group as at 30th June 2004 HK\$' million	Audited consolidated balance sheet of the Business as at 30th June 2004 HK\$' million (Note 1)	Adjustments HK\$' million	Total HK\$' million
Property, plant & equipment	863.9	1,152.1		2,016.0
Goodwill	635.6	3,010.0	377.8 (Note 2)	4,023.4
Negative goodwill	(31.0)	—		(31.0)
Intangible assets	178.7	113.9		292.6
Investment in associates	132.1	—		132.1
Investment in securities	38.6	—		38.6
Deferred tax assets	300.7	148.2	(148.2) (Note 2)	300.7
Other assets	1.2	31.2		32.4
Current assets				
Trade and other receivables	1,579.1	1,003.8	(30.4) (Note 2)	2,552.5
Amounts due from related parties of ATCO	—	560.8	(560.8) (Note 2)	—
Tax recoverable	1.1	0.8	(0.8) (Note 2)	1.1
Other current assets	2,996.3	975.0	—	3,971.3
Bank balances, deposits and cash	1,971.0	16.4	(5,016.5) (Note 2)	(3,029.1)
Total current assets	<u>6,547.5</u>	<u>2,556.8</u>	<u>(5,608.5)</u>	<u>3,495.8</u>
Current liabilities				
Trade, bills and other payables	(3,427.3)	(725.4)	35.1 (Note 2)	(4,117.6)
Amounts due from related parties of ATCO	—	(822.9)	822.9 (Note 2)	—
Tax payable	(108.2)	(4.7)	4.7 (Note 2)	(108.2)
Other current liabilities	(862.8)	(749.6)	—	(1,612.4)
Total current liabilities	<u>(4,398.3)</u>	<u>(2,302.6)</u>	<u>862.7</u>	<u>(5,838.2)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>4,269.0</u>	<u>4,709.6</u>	<u>(4,516.2)</u>	<u>4,462.4</u>
Obligations under finance leases				
- due after one year	(3.2)	(146.6)		(149.8)
Bank borrowings - due after one year	(1,405.5)	—	—	(1,405.5)
Other payables	—	(34.3)		(34.3)
Deferred tax liabilities	(47.9)	(212.2)	212.2 (Note 2)	(47.9)
Minority interests	(64.6)	—		(64.6)
Provisions	—	(12.5)		(12.5)
	<u>(1,521.2)</u>	<u>(405.6)</u>	<u>212.2</u>	<u>(1,714.6)</u>
NET ASSETS	<u><u>2,747.8</u></u>	<u><u>4,304.0</u></u>	<u><u>(4,304.0)</u></u>	<u><u>2,747.8</u></u>

Notes:

1. The audited consolidated balance sheet of the Business is denominated in US dollars and has been translated into Hong Kong dollars at the conversion exchange rate of US\$1 to HK\$7.8.
2. As set out in the Stock Purchase Agreement, the Company will not purchase bank balances and cash, trade receivables or payables to the group companies of ATCO, amounts due from or due to related parties of ATCO, tax recoverable, tax payable, deferred tax assets and deferred tax liabilities of the Business at the date of acquisition and therefore the adjustment for the goodwill is factually supported by the Stock Purchase Agreement and it has a continuing effect on the Company.

The goodwill arising on the acquisition of the Business amounts to approximately HK\$377.8 million which represents the difference between the total consideration of HK\$5,000.1 million (consisting of the purchase price of HK\$4,887.3 million and the estimated expenses of HK\$112.8 million) and the net asset value of HK\$4,622.3 million as at 30th June 2004 (consisting of net assets of HK\$4,304.0 million as at 30th June 2004 excluding bank balances and cash, trade receivables or payables to the group companies of ATCO, amounts due from or due to related parties of ATCO, tax recoverable, tax payable, deferred tax assets and deferred tax liabilities of the Business at an aggregate amount of HK\$318.3 million as at 30th June 2004) prior to the acquisition.

3. The pro forma financial information is prepared in a manner consistent with the accounting policies of the Company in all material respects.

STATEMENT OF INDEBTEDNESS

At the close of business on 31st August 2004, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had outstanding bank overdrafts of approximately HK\$123,321,000 and other unsecured bank borrowings of approximately HK\$1,400,960,000. In addition, the Enlarged Group also had outstanding at that date obligations under finance leases and hire purchase contracts of approximately HK\$28,429,000, fixed interest rate notes of approximately HK\$1,131,000,000 and Convertible Bonds in an aggregate amount of approximately HK\$1,092,000,000. No guarantee was given to the Enlarged Group in respect of credit facilities granted to the Enlarged Group. Subsequent to 31st August 2004 but prior to the Latest Practicable Date, none of the Convertible Bonds mentioned above were converted into Shares.

At the close of business on 31st August 2004, the Enlarged Group provided guarantees to banks in respect of bank facilities granted to associates of approximately HK\$20,687,000. The Enlarged Group had contingent liabilities in respect of export bills discounted with recourse of approximately HK\$181,321,000.

In addition, the Enlarged Group had various outstanding legal cases as at 31st August 2004. Details of these litigations of material importance are set out in Appendix VI to this circular under the section headed "Litigation".

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, none of the companies in the Enlarged Group had outstanding at the close of business on 31st August 2004 any mortgages, charges, debentures, or other loan capital or bank overdrafts, loans, debt securities or similar indebtedness, or any obligations under finance leases or hire purchase contracts or any guarantees or other material contingent liabilities.

Foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on 31st August 2004.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Enlarged Group since 31st August 2004.

WORKING CAPITAL

The Directors are of the opinion that the Enlarged Group will, taking into account the present internal financial resources, the present credit facilities available and the proposed bank borrowings available to finance the Transaction, have sufficient working capital for its present requirements in the absence of unforeseen circumstances.

Under the terms of the Stock Purchase Agreement, the Company will purchase, from the Sellers, all the issued and outstanding shares of the Sold Companies which together with their subsidiaries comprise the Business. The jurisdiction and share capital of these Sold Companies is set out below.

As of the date of the Stock Purchase Agreement, not all of the Sold Companies listed below had been incorporated. It is intended that all entities will be incorporated prior to closing of the Transaction. The share capital stated below, as of the date of the Stock Purchase Agreement, indicate the existing share capital, or the share capital planned to be issued at the time of closing of the Transaction. Depending on the value of assets in each country, local law may require additional capital to be injected and therefore the share capital may be different at the date of closing of the Transaction than those listed below.

Name of Sold Company	Jurisdiction	Share Capital Information	Date of Incorporation	Principal activity of Sold Company
Esstar Incorporated	USA	<p>Total Authorised Shares: 2,300,400 Total Value: USD 23,004 allocated as follows:</p> <p>Stock Type: Common Authorised Shares: 1,280,000 Par Value: 0.01 Issued: 5,000</p> <p>Stock Type: Preferred Class: A Authorised Shares: 1,000,000 Par Value: 0.01 Issued: 763,010</p> <p>Stock Type: Preferred Class: C Series: 1 Authorised Shares: 10,000 Par Value: 0.01 Issued: 5,500</p> <p>Stock Type: Preferred Class: C Series: 2 Authorised Shares: 10,000 Par Value: 0.01 Issued: 1,000</p> <p>Stock Type: Preferred Class: D Authorised Shares: 400 Par Value: 0.01 Issued: 400 All issued shares are owned by Atlas Copco North America Inc.</p>	1st June 1989	Holding company for parent of Milwaukee Electric Tool Co., which is engaged in the development, production, sales, marketing and distribution of power tools and accessories.

Name of Sold Company	Jurisdiction	Share Capital Information	Date of Incorporation	Principal activity of Sold Company
D.L.C. America Inc.	USA	Total Authorised Shares: 100 Stock Type: Common Par Value: No par value Sole shareholder: Atlas Copco North America Inc.	10th March 2003	Sales, marketing and distribution of DreBo brand power tool accessories, primarily in the United States.
Atlas Copco Elektrowerkzeuge GmbH	Germany	Authorised capital: EUR 25,564.59 Number of Shares: 1 Par Value EUR 25,564.59 Sole shareholder: Atlas Copco Holding GmbH	15th January 1997	Sales, marketing and distribution of power tools and accessories.
Atlas Copco Electric Tools GmbH	Germany	Authorised capital: EUR 20,451,675.25 Number of Shares: 1 Par Value: EUR 20,451,675.25 Sole shareholder: Atlas Copco Holding GmbH	10th August 1981	Development, production, sales, marketing and distribution of power tools and accessories.
DreBo Werkzeugfabrik GmbH	Germany	Authorised capital: EUR 1,000,000.00 Par Value: EUR 1,000,000.00 Number of Shares: 1 Sole shareholder: Atlas Copco Holding GmbH	10th January 1979	Development, production, sales, marketing and distribution of power tools accessories.
A & M Distributions N.V.	Belgium	Authorised capital: EUR 62,000 Number of Shares: 1 Nominal Value: 1, 000 per share Shareholders: Electric Power Tools Europe Holding BV: 61 shares at total EUR 61,000 Atlas Copco Electric Tools GmbH: 1 share at EUR 1,000	16th July 2004	Handling and distribution of power tools and related accessories.
Electric Power Tools Europe Holding BV	The Netherlands	Authorised capital: EUR 500,000.00 Issued capital: 100,000.00 Paid-up capital: 110,000.00 Sole shareholder: Atlas Copco AB (publ)	1st July 2004	Holding company for subsidiaries engaged in sales, marketing and distribution of power tools and related accessories.
A & M Electric Tools SAS	France	Authorised capital: EUR 37,000 Sole shareholder: Electric Power Tools Europe Holding BV	3rd August 2004	Sales, marketing and distribution of power tools and related accessories.
A & M Electric Tools Ltd	United Kingdom	Authorised Capital: GBP 1,000 Sole Shareholder: Electric: Power Tools Europe Holding BV	30th July 2004	Sales, marketing and distribution of power tools and related accessories.

Name of Sold Company	Jurisdiction	Share Capital Information	Date of Incorporation	Principal activity of Sold Company
A & M Electric Tools (HK) Ltd	Hong Kong	Authorised capital: HKD 1 Sole shareholder: Electric Power Tools Europe Holding BV	11th August 2004	Sales, marketing and distribution of AEG and METCO power tools and related accessories.
A & M Electric Tools (Malaysia) Sdn. Bhd.	Malaysia	Authorised capital: MYR 2 Sole shareholder: Electric Power Tools Europe Holding BV ¹	14th September 2004	Sales, marketing and distribution of power tools and related accessories.
A & M Electric Tools (Singapore) Pte. Ltd	Singapore	Authorised capital: SGD 1 Sole shareholder: Electric Power Tools Europe Holding BV	12th August 2004	Sales, marketing and distribution of power tools and related accessories.
A & M Electric Tools (Thailand) Ltd	Thailand	Authorised capital: THB 1,000,000 Shareholders: Electric Power Tools Europe Holding BV: 490,000 Sickla Holding (Thailand) Ltd. ² : 510,000	17th August 2004	Sales, marketing and distribution of power tools and related accessories.
Milwaukee Electric S.A. de C.V.	Mexico	Capitalisation not yet determined. Sole shareholder: Inversora Capricornio S.A. de C.V.	Not yet incorporated	Sales, marketing and distribution of power tools and related accessories.
Milwaukee Electric Tool (Canada) Ltd.	Canada	Authorised capital: CAD 250 Sole shareholder: Atlas Copco Canada Inc.	8th October 2004	Sales, marketing and distribution of power tools and related accessories.

Notes:

1. It is intended that Electric Power Tools Europe Holding BV will at the time of closing of the Transaction own A & M Electric Tools (Malaysia) Sdn. Bhd in its entirety. It is believed that after an initial period local regulations may restrict a foreign entity from owning all of the shares of A & M Electric Tools (Malaysia) Sdn. Bhd.
2. Sickla Holding (Thailand) Ltd. is a nominee holding company in Thailand.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular (except for information relating to the ATCO group of companies which is based on publicly available information) 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.

2. DISCLOSURE OF INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Directors	Name of company/ associated corporation	Capacity/ Nature of interests	Interests in Shares (other than pursuant to equity derivatives) ⁽¹⁾	Interests in underlying Shares pursuant to equity derivatives ^(1, 2a and b)	Total interests in Shares/ underlying Shares	Approximate aggregate percentage of interests
Mr Horst Julius Pudwill	The Company	Beneficial owner	76,554,000	26,688,000	326,661,794	24.17%
	The Company	Interest of spouse	760,000	—	—	
	The Company	Interests of controlled corporation	222,659,794 ⁽³⁾	—	—	
Mr Roy Chi Ping Chung	The Company	Beneficial owner	113,541,948	13,824,000	164,576,978	12.18%
	The Company	Interest of spouse	136,000	—	—	
	The Company	Interests of controlled corporation	37,075,030 ⁽⁴⁾	—	—	
Mr Kin Wah Chan	The Company	Beneficial owner	2,319,000	2,000,000	4,319,000	0.32%
Mr Chi Chung Chan	The Company	Beneficial owner	500,000	3,000,000	3,500,000	0.26%
Dr Akio Urakami	The Company	Beneficial owner	600,000	1,000,000	1,600,000	0.12%
Mr Vincent Ting Kau Cheung	The Company	Beneficial owner	1,920,000	800,000	2,720,000	0.20%
Mr Joel Arthur Schleicher	The Company	Beneficial owner	200,000	500,000	700,000	0.05%
Mr Christopher Patrick Langley	The Company	Beneficial owner	400,000	300,000	700,000	0.05%
Mr Manfred Kuhlmann	—	—	—	—	—	—

Notes:

1. Interests in Shares and underlying Shares stated above represent long positions.
2. (a) The equity derivatives are physically settled and unlisted.
- (b) The interests of the Directors in the underlying Shares pursuant to equity derivatives represent options granted to them pursuant to the Existing Scheme, details of which are set out below:

Directors	Date of grant	No. of underlying Shares (in respect of Share Options) held	Subscription price	Exercise period	Approximate percentage of existing issued share capital of the Company
Mr Horst Julius Pudwill	28.6.2002	25,728,000	3.600	28.6.2002-27.6.2007	1.97%
	19.9.2003	560,000	8.685	19.9.2003-18.9.2008	
	25.2.2004	400,000	12.170	25.2.2004-24.2.2009	
Mr Roy Chi Ping Chung	28.6.2002	12,864,000	3.600	28.6.2002-27.6.2007	1.02%
	19.9.2003	560,000	8.685	19.9.2003-18.9.2008	
	25.2.2004	400,000	12.170	25.2.2004-24.2.2009	
Mr Kin Wah Chan	25.2.2004	1,000,000	12.170	25.2.2004-24.2.2009	0.15%
	1.3.2004	1,000,000	12.525	1.3.2004-28.2.2009	
Mr Chi Chung Chan	17.7.2003	1,000,000	7.625	17.7.2003-16.7.2008	0.22%
	19.9.2003	500,000	8.685	19.9.2003-18.9.2008	
	25.2.2004	1,000,000	12.170	25.2.2004-24.2.2009	
Dr Akio Urakami	1.3.2004	500,000	12.525	1.3.2004-28.2.2009	0.07%
	30.4.2002	500,000	3.200	30.4.2002-29.4.2007	
	5.7.2002	200,000	3.350	5.7.2002-4.7.2007	
Mr Vincent Ting Kau Cheung	25.2.2004	300,000	12.170	25.2.2004-24.2.2009	0.06%
	30.4.2002	400,000	3.200	30.4.2002-29.4.2007	
	17.7.2003	300,000	7.625	17.7.2003-16.7.2008	
Mr Joel Arthur Schleicher	25.2.2004	100,000	12.170	25.2.2004-24.2.2009	0.04%
	30.4.2002	200,000	3.200	30.4.2002-29.4.2007	
	17.7.2003	200,000	7.625	17.7.2003-16.7.2008	
Mr Christopher Patrick Langley	25.2.2004	100,000	12.170	25.2.2004-24.2.2009	0.02%
	17.7.2003	200,000	7.625	17.7.2003-16.7.2008	
	25.2.2004	100,000	12.170	25.2.2004-24.2.2009	

3. These Shares were held by the following companies in which Mr Horst Julius Pudwill has a beneficial interest:

	No. of Shares
Sunning Inc.	185,584,764
Cordless Industries Company Limited*	37,075,030
	222,659,794

4. These Shares were held by Cordless Industries Company Limited* in which Mr Roy Chi Ping Chung has a beneficial interest.

* Cordless Industries Company Limited is owned as to 70% by Mr Horst Julius Pudwill and as to 30% by Mr Roy Chi Ping Chung.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of, the Company or any associated corporations (within the meaning of Part XV of the SFO) which (i) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares 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 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Techtronic Group are as follows:

Name	Total interests in Shares ^Δ	Approximate aggregate percentage of interests
FMR Corp [○]	160,768,800	11.89%
J.P. Morgan Chase & Co. [□]	159,182,119	11.78%

Notes:

- Δ Interests in Shares stated above represent long positions.
- The capacity of FMR Corp in holding the 160,768,800 Shares was as Investment Manager.
- The following is a breakdown of the interests in shares of J.P. Morgan Chase & Co.:

Name	Remarks	Total interests in Shares		Approximate percentage of interests
		Direct interests	Deemed interests	
J.P. Morgan Chase & Co.	(a)	—	159,182,119	11.89%
JP Morgan Chase Bank	(b)	60,799,315	—	4.50%
J.P. Morgan Fleming Asset Management Holdings Inc.	(b)	—	98,382,804	7.28%
J.P. Morgan Fleming Asset Management (Asia) Inc.	(b)	—	93,975,851	6.95%
JF International Management Inc.	(b)	624,500	—	0.05%
JF Asset Management Limited	(b)	83,388,851	6,962,500	6.68%
JF Funds Limited	(b)	—	6,962,500	0.52%
JF Asset Management (Taiwan) Limited	(b)	6,962,500	—	0.52%
Robert Fleming Holdings Ltd	(b)	—	4,406,953	0.33%
Robert Fleming Asset Management Ltd	(b)	—	4,406,953	0.33%
J.P. Morgan Fleming Asset Management (UK) Limited	(b)	4,406,953	—	0.33%
JF Asset Management (Singapore) Limited	(b)	3,000,000	—	0.22%

Remarks:

- (a) J.P. Morgan Chase & Co. is listed on the New York Stock Exchange.

The capacity of J.P. Morgan Chase & Co. in holding the 159,182,119 Shares was, as to 98,382,804 Shares, as investment manager and, as to 60,799,315 Shares, as custodian corporation/approved lending agent. The 159,182,119 Shares included a lending pool of 60,799,315 Shares.

- (b) JP Morgan Chase Bank, J.P. Morgan Fleming Asset Management Holdings Inc., J.P. Morgan Fleming Asset Management (Asia) Inc., JF International Management Inc., JF Asset Management Limited, JF Funds Limited, JF Asset Management (Taiwan) Limited, Robert Fleming Holdings Ltd, Robert Fleming Asset Management Ltd, J.P. Morgan Fleming Asset Management (UK) Limited and JF Asset Management (Singapore) Limited, were all direct or indirect subsidiaries of J.P. Morgan Chase & Co. and by virtue of the SFO, J.P. Morgan Chase & Co. was deemed to be interested in the Shares held by these subsidiaries.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company were aware of any other person (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares 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 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Techtronic Group.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates (as defined in the Listing Rules) had any interests in any business, which competes or may compete with the business of the Techtronic Group.

5. MATERIAL ADVERSE CHANGE

Save as disclosed in this circular and as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Techtronic Group since 31st December 2003, the date to which the latest published audited financial statements of the Company were made up.

6. LITIGATION

No member of the Enlarged Group is engaged in any litigation or claims of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Enlarged Group except for those disclosed in this circular under the paragraphs headed "Information about the Business" in the section headed "Letter from the Board".

7. EXPERT

The following is the qualification of the expert who has given opinion or advice, which is contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified public accountants

As at the Latest Practicable Date, Deloitte Touche Tohmatsu, certified public accountants had given and had not withdrawn their written consent to the issue of this circular with inclusion of its reports, which have been prepared for inclusion in this circular and references to its name in the form and context in which it is included.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any shareholding interest in any member of the Techtronic Group or any right, whether legally enforceable or not, to subscribe for, or to nominate persons to subscribe for, securities in any member of the Techtronic Group.

8. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Techtronic Group which does not expire or is not determinable by the employer within one year without payment of compensation other than statutory compensation.

9. MATERIAL CONTRACTS

The following contracts, not being contracts entered in the ordinary course of business, have been entered into by the Techtronic Group within two years preceding the Latest Practicable Date and which are or may be material:

- (a) an agreement and plan of merger dated as of 16th December 2002 as supplemented by a first amendment dated as of 12th March 2003 between Royal Appliance Manufacturing Co., the Company, RAMC Holdings, Inc. and TIC Acquisition Corp. whereby TIC Acquisition Corp. merged with and into Royal Appliance Manufacturing Co. for a consideration of US\$7.37 (the "**Merger Consideration**") in cash for each issued and outstanding share in Royal Appliance Manufacturing Co. and a consideration in cash for each unexercised stock option of Royal Appliance Manufacturing Co. equal to the excess of the Merger Consideration over the exercise price of each such unexercised stock option;
- (b) a subscription agreement dated 16th June 2004 between the Company as issuer, Mr Horst Julius Pudwill and Mr Roy Chi Ping Chung as controlling shareholders and ABN AMRO Bank N.V. (Hong Kong Branch) and NM Rothschild & Sons (Hong Kong) Limited, each trading as ABN AMRO Rothschild and The Hongkong and Shanghai Banking Corporation Limited as joint lead managers whereby the joint lead managers jointly and severally agreed to procure subscribers and payment for, or failing which to subscribe and pay for, the Convertible Bonds at par in an aggregate principal amount of US\$140,000,000;
- (c) a trust deed dated 8th July 2004 between the Company as issuer and The Bank of New York as trustee under which the Convertible Bonds were constituted and setting out, inter alia, the terms and conditions governing the Convertible Bonds; and
- (d) the Stock Purchase Agreement.

10. GENERAL

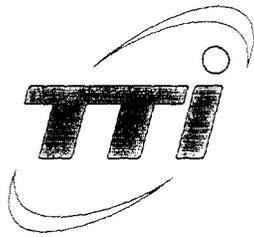
- (a) The registered office of the Company is situated at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong. The share registrar and transfer office of the Company is Secretaries Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (b) The Company Secretary and Qualified Accountant of the Company is Mr Chi Chung Chan who is a fellow member of The Chartered Association of Certified Accountants and The Hong Kong Institute of Certified Public Accountants, an associate of the Taxation Institute of Hong Kong and qualified to practise as a Certified Public Accountant in Hong Kong.
- (c) Mr Vincent Ting Kau Cheung, a non-executive Director, is the senior partner of the solicitors' firm of Vincent T.K. Cheung, Yap & Co., which has been retained as the legal advisers to the Company (as to Hong Kong law) in connection with the Transaction and will receive normal professional fees in respect thereof.

- (d) Save as disclosed in this circular:
- (i) none of the Directors or expert (as named in this Appendix) has any direct or indirect interest in any assets which have been, since 31st December 2003, the date to which the latest published audited financial statements of the Company were made up, to the Latest Practicable Date, acquired or disposed of by or leased to any member of the Techtronic Group or are proposed to be acquired or disposed of by or leased to any member of the Techtronic Group; and
 - (ii) none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Techtronic Group.
- (e) The English text of this circular and the form of proxy shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong during normal business hours on any weekday other than public holidays, from the date of this circular up to and including 3rd January 2005:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to in the section headed "Material Contracts" of this Appendix;
- (c) the annual reports of the Company for the years ended 31st December 2001, 2002 and 2003 and the interim report of the Company for the six months ended 30th June 2004;
- (d) the accountants' report on the Business prepared by Deloitte Touche Tohmatsu, the texts of which are set out in Appendix III to this circular;
- (e) the report prepared by Deloitte Touche Tohmatsu in relation to the Pro Forma Statement on the Enlarged Group and referred to in Appendix IV to this circular; and
- (f) the written consent of Deloitte Touche Tohmatsu referred to in the section headed "Expert" of this Appendix.



Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 669)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "Meeting") of Techtronic Industries Company Limited (the "Company") will be held at Harbour Room, 3rd Floor, The Ritz-Carlton, Hong Kong, 3 Connaught Road, Central, Hong Kong on 3rd January 2005 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment(s), the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT** the terms of, and the transactions contemplated under, a conditional stock purchase agreement, dated 28th August 2004, entered into between Atlas Copco AB, Atlas Copco North America Inc. and Atlas Copco Holding GmbH, all as sellers and the Company, Ryobi Technologies GmbH and Techtronic Industries North America, Inc. all as purchasers (the "**Stock Purchase Agreement**") (a copy of which has been produced to the Meeting, and marked "A" and initialled by the chairman of the Meeting for the purpose of identification) and all other transactions contemplated therein and all other agreements ancillary thereto, be and are hereby confirmed and approved and any director of the Company, as directed by the board of directors of the Company, be and is hereby authorised to execute all such documents and to do all such acts, matters and things as he may in his sole discretion consider necessary or desirable on behalf of the Company for the purpose of or in connection with the Stock Purchase Agreement or the transaction contemplated therein."

By Order of the Board
Chi Chung Chan
Company Secretary

Hong Kong, 23rd November 2004

Registered office:

24th Floor
CDW Building
388 Castle Peak Road
Tsuen Wan
New Territories
Hong Kong

NOTICE OF THE EGM

Notes:

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
3. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of such member. A proxy need not be a member of the Company.
4. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the registered office of the Company at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong not later than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case may be).
5. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders is present at the Meeting in person or by proxy, the joint holder whose name stands first in the register of members of the Company, in respect of such shares, shall alone be entitled to vote in respect thereof.

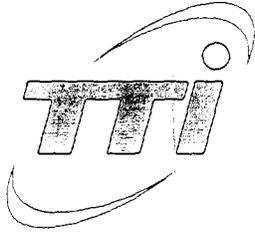
As at the date of this notice, the board of directors of the Company comprises five executive Directors, namely, Mr Horst Julius Pudwill (Chairman and Chief Executive Officer), Mr Roy Chi Ping Chung (Managing Director), Mr Kin Wah Chan, Mr Chi Chung Chan and Dr Akio Urakami, one non-executive Director, namely, Mr Vincent Ting Kau Cheung and three independent non-executive Directors, namely, Mr Joel Arthur Schleicher, Mr Christopher Patrick Langley and Mr Manfred Kuhlmann.

股東特別大會通告

附註：

1. 隨附大會適用之代表委任表格。
2. 本代表委任表格必須由委任人或其以書面正式授權之代理人親筆簽署；如委任人為法人團體，則必須加蓋公司印鑑或由公司負責人、代理人或其他正式獲授權之人士簽署。
3. 凡有權出席大會並於會上投票之本公司股東均可委任一位或以上代表代其出席並於以股數表決時代其投票。受委派代表毋須為本公司股東。
4. 代表委任表格連同簽署人之授權書或其他授權文件(如有)或公證人簽署證明之授權書或授權文件副本，最遲須於大會或任何續會(視情況而定)指定舉行時間四十八小時前交回本公司之註冊辦事處，地址為香港新界荃灣青山道388號中國染廠大廈24樓，方為有效。
5. 股東填妥及交回代表委任表格後，屆時仍可親身出席大會或任何續會(視情況而定)並於會上投票；在此情況下，代表委任表格將視作已撤銷論。
6. 如屬股份聯名登記持有人，任何一位該等人士均可於大會上親身或委派代表就該等股份投票，猶如其為唯一有權者無異；如有一位以上聯名持有人親身或委派代表出席大會，只有在本公司股東名冊內排名首位之聯名持有人方有權就該等股份投票。

於本通告日期，本公司之董事會包括五位執行董事：Horst Julius Pudwill先生(主席兼行政總裁)、鍾志平先生(董事總經理)、陳建華先生、陳志聰先生及浦上彰夫博士；一位非執行董事：張定球先生；以及三位獨立非執行董事：Joel Arthur Schleicher先生、Christopher Patrick Langley先生及Manfred Kuhlmann先生。



創科實業有限公司

(於香港註冊成立之有限公司)

(股份代號：669)

股東特別大會通告

茲通告創科實業有限公司(「本公司」)謹定於二零零五年一月三日上午十時正假座香港中環干諾道中3號香港麗嘉酒店海景廳舉行股東特別大會(「大會」)，藉以考慮並酌情通過(不論有否修訂)下列決議案為本公司之普通決議案：

普通決議案

「動議確認及批准Atlas Copco AB、Atlas Copco North America Inc. 及Atlas Copco Holding GmbH(全部作為賣方)與本公司、Ryobi Technologies GmbH 及 Techtronic Industries North America, Inc. (全部作為買方)於二零零四年八月二十八日訂立之有條件購股協議(「購股協議」)(其註明「A」記號之協議副本已提交大會並由大會主席簡簽以資識別)之條款、其預計進行之交易以及所有其他據此預計進行之交易和所有其他附屬協議，並授權本公司任何董事在本公司董事會之指示下，就有關購股協議或預計進行之交易，代表本公司簽署所有其全權認為必需或合適之文件以及辦理所有其全權認為必需或合適之手續、事宜及事項。」

承董事會命
公司秘書
陳志聰

香港，二零零四年十一月二十三日

註冊辦事處：

香港

新界

荃灣

青山道388號

中國染廠大廈

24樓

- (d) 除本通函披露者外：
- (i) 自二零零三年十二月三十一日(本公司最近期公佈經審核財務報表之結算日期)起至最後實際可行日期止期間，各董事或名列本附錄之專業人士於創科集團任何成員公司所買賣或租用或創科集團任何成員公司建議買賣或租用之任何資產中，概無擁有任何直接或間接權益；及
 - (ii) 各董事於截至最後實際可行日期仍生效並與創科集團業務有重大關連之任何合約或安排中，概無擁有重大權益。
- (e) 本通函及代表委任表格之中，英文本如有歧義，概以英文本為準。

11. 備查文件

以下文件之副本由本通函之刊發日期起至二零零五年一月三日(包括該日在內)止期間任何周日(公眾假期除外)之一般辦公時間內，於香港新界荃灣青山道388號中國染廠大廈24樓本公司之註冊辦事處可供查閱：

- (a) 本公司之公司組織章程大綱及細則；
- (b) 本附錄內「重大合約」一節所述之重大合約；
- (c) 本公司截至二零零一年、二零零二年及二零零三年十二月三十一日止各年度之年報及本公司截至二零零四年六月三十日止六個月之中期報告；
- (d) 全文載於本通函附錄三內德勤•關黃陳方會計師行編製該業務之會計師報告；
- (e) 本通函附錄四內所述德勤•關黃陳方會計師行就擴大後集團之備考報表所編製之報告；及
- (f) 本附錄內「專業人士」一節所述德勤•關黃陳方會計師行之同意書。

9. 重大合約

創科集團於最後實際可行日期前兩年內訂立之重大或可屬重大合約(並非於日常業務中所訂立之合約)如下：

- (a) Royal Appliance Manufacturing Co.、本公司、RAMC Holdings, Inc.及TIC Acquisition Corp.於二零零二年十二月十六日訂立之合併協議及計劃(經二零零三年三月十二日訂立之首度修訂作出補充)；據此，TIC Acquisition Corp.與Royal Appliance Manufacturing Co.合併，代價為就Royal Appliance Manufacturing Co.每股已發行在外之股份支付現金7.37美元(「合併代價」)，並就Royal Appliance Manufacturing Co.每份尚未行使之股份期權支付現金代價，金額相等於合併代價超出每份尚未行使股份期權行使價之數額；
- (b) 本公司(作為發行人)、Horst Julius Pudwill先生及鍾志平先生(均作為控股股東)與荷蘭銀行香港分行及洛希爾父子(香港)有限公司(各自以荷銀•洛希爾(ABN AMRO Rothschild)之名義經營)及香港上海滙豐銀行有限公司(均作為聯席牽頭經辦人)於二零零四年六月十六日訂立之認購協議；據此，聯席牽頭經辦人共同及個別同意促使認購人按面值認購及支付或如未能促成上述安排則自行按面值認購及支付總本金額為140,000,000美元之可換股債券；
- (c) 本公司(作為發行人)與The Bank of New York(作為受託人)於二零零四年七月八日訂立之信託契約；據此，設立可換股債券及列載(其中包括)規範可換股債券之條款及細則；及
- (d) 購股協議。

10. 一般事項

- (a) 本公司之註冊辦事處位於香港新界荃灣青山道388號中國染廠大廈24樓。本公司之股份過戶登記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。
- (b) 本公司之公司秘書及合資格會計師為陳志聰先生，彼為英國特許公認會計師公會及香港會計師公會之資深會員、香港稅務學會會員及具備香港執業會計師專業資格。
- (c) 非執行董事張定球先生為張葉司徒陳律師事務所之高級合夥人，該律師事務所就該交易獲委聘為本公司之法律顧問(關於香港法例)，並就此收取一般專業費用。

4. 董事於帶競爭性業務之權益

於最後實際可行日期，各董事或彼等各自之聯繫人士(定義見上市規則)概無在任何與創科集團之業務帶競爭性或可能構成競爭之業務中擁有任何權益。

5. 重大逆轉

除本通函披露者外，於最後實際可行日期，據董事所知，自二零零三年十二月三十一日(即本公司最近期公佈經審核財務報表之結算日期)以來，創科集團之財務或經營狀況概無任何重大逆轉。

6. 訴訟

除本通函之「董事會函件」內「有關該業務之資料」一節披露者外，擴大後集團之任何成員公司概無牽涉任何重大訴訟或索償要求；而據董事所知，擴大後集團之任何成員公司亦無任何尚未了結或面臨指控之重大訴訟或索償要求。

7. 專業人士

以下為提供本通函內所載意見或建議之專業人士資格：

名稱	專業資格
德勤•關黃陳方會計師行	執業會計師

於最後實際可行日期，德勤•關黃陳方會計師行(執業會計師)已就本通函之刊行發出同意書，同意按刊行之形式及涵義在本通函內轉載其報告並引述其名稱，迄今並無撤回同意書。

於最後實際可行日期，德勤•關黃陳方會計師行概無擁有創科集團任何成員公司之任何股權，亦無擁有任何可認購或委派他人認購創科集團任何成員公司證券之權利(不論是否具法律執行效力)。

8. 服務合約

於最後實際可行日期，各董事概無與創科集團任何成員公司訂立或擬訂立尚未期滿或僱主不可於一年內毋須賠償(法定賠償除外)而予以終止之服務合約。

名稱	備註	股份權益總額		佔權益之 概約百分比
		直接持有 之權益	當作持有 之權益	
J.P. Morgan Chase & Co.	(a)	—	159,182,119	11.89%
JP Morgan Chase Bank	(b)	60,799,315	—	4.50%
J.P. Morgan Fleming Asset Management Holdings Inc.	(b)	—	98,382,804	7.28%
J.P. Morgan Fleming Asset Management (Asia) Inc.	(b)	—	93,975,851	6.95%
JF International Management Inc.	(b)	624,500	—	0.05%
JF Asset Management Limited	(b)	83,388,851	6,962,500	6.68%
JF Funds Limited	(b)	—	6,962,500	0.52%
JF Asset Management (Taiwan) Limited	(b)	6,962,500	—	0.52%
Robert Fleming Holdings Ltd	(b)	—	4,406,953	0.33%
Robert Fleming Asset Management Ltd	(b)	—	4,406,953	0.33%
J.P. Morgan Fleming Asset Management (UK) Limited	(b)	4,406,953	—	0.33%
JF Asset Management (Singapore) Limited	(b)	3,000,000	—	0.22%

備註：

(a) J.P. Morgan Chase & Co.於紐約證券交易所上市。

J.P. Morgan Chase & Co.以下列身份持有159,182,119股股份：98,382,804股以投資經理人身份持有、60,799,315股以託管人法團／認可借貸代理身份持有。上述159,182,119股股份包括60,799,315股可供借出之股份。

(b) JP Morgan Chase Bank、J.P. Morgan Fleming Asset Management Holdings Inc.、J.P. Morgan Fleming Asset Management (Asia) Inc.、JF International Management Inc.、JF Asset Management Limited、JF Funds Limited、JF Asset Management (Taiwan) Limited、Robert Fleming Holdings Ltd、Robert Fleming Asset Management Ltd、J.P. Morgan Fleming Asset Management (UK) Limited及JF Asset Management (Singapore) Limited均為J.P. Morgan Chase & Co.之直接或間接附屬公司；基於證券及期貨條例規定，J.P. Morgan Chase & Co.被視為擁有此等附屬公司所持股份之權益。

除上文披露者外，於最後實際可行日期，據本公司之董事或主要行政人員所知，概無任何其他人士（本公司之董事或主要行政人員除外）擁有依據證券及期貨條例第XV部第2及3分部須向本公司披露於股份或相關股份之權益或淡倉，或直接或間接擁有附帶可於所有情況下在創科集團任何其他成員公司之股東大會上行使投票權之任何類別股本面值達10%或以上之權益。

除上文披露者外，於最後實際可行日期，本公司之董事或主要行政人員概無擁有(i)依據證券及期貨條例第XV部第7及8分部須通知本公司及聯交所(包括依據證券及期貨條例規定彼等被視為擁有之權益或淡倉)，或(ii)根據證券及期貨條例第352條規定須予保存之登記冊所記錄，或(iii)依據上市規則所載上市發行人董事進行證券交易之標準守則須通知本公司及聯交所，於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證之權益或淡倉。

3. 股東之權益及淡倉

據本公司之董事或主要行政人員所知，於最後實際可行日期，擁有依據證券及期貨條例第XV部第2及3分部須向本公司披露於股份或相關股份之權益或淡倉，或直接或間接擁有附帶可於所有情況下在創科集團任何其他成員公司之股東大會上行使投票權之任何類別股本面值達10%以上權益之人士(本公司之董事或主要行政人員除外)如下：

名稱	股份權益 總額 [△]	佔權益 總額之概約 百分比
FMR Corp [○]	160,768,800	11.89%
J.P. Morgan Chase & Co. [□]	159,182,119	11.78%

附註：

- △ 上述股份權益均屬於好倉。
- FMR Corp以投資經理人身份持有160,768,800股股份。
- J.P. Morgan Chase & Co.持有之股份權益分析如下：

附註：

1. 上述股份及相關股份之權益均屬於好倉。
2. (a) 股本衍生工具以實物方式交收及屬於非上市。
- (b) 董事擁有依據股本衍生工具而持有之相關股份權益乃為依據現有計劃授予該等董事之購股權，詳情如下：

董事	授予 購股權日期	持有購股權 之相關股份 數目	認購價	行使期	佔本公司現有 已發行股本之 概約百分比
Horst Julius Pudwill 先生	28.6.2002	25,728,000	3.600	28.6.2002-27.6.2007	1.97%
	19.9.2003	560,000	8.685	19.9.2003-18.9.2008	
	25.2.2004	400,000	12.170	25.2.2004-24.2.2009	
鍾志平先生	28.6.2002	12,864,000	3.600	28.6.2002-27.6.2007	1.02%
	19.9.2003	560,000	8.685	19.9.2003-18.9.2008	
	25.2.2004	400,000	12.170	25.2.2004-24.2.2009	
陳建華先生	25.2.2004	1,000,000	12.170	25.2.2004-24.2.2009	0.15%
	1.3.2004	1,000,000	12.525	1.3.2004-28.2.2009	
陳志聰先生	17.7.2003	1,000,000	7.625	17.7.2003-16.7.2008	0.22%
	19.9.2003	500,000	8.685	19.9.2003-18.9.2008	
	25.2.2004	1,000,000	12.170	25.2.2004-24.2.2009	
浦上彰夫博士	1.3.2004	500,000	12.525	1.3.2004-28.2.2009	0.07%
	30.4.2002	500,000	3.200	30.4.2002-29.4.2007	
	5.7.2002	200,000	3.350	5.7.2002-4.7.2007	
張定球先生	25.2.2004	300,000	12.170	25.2.2004-24.2.2009	0.06%
	30.4.2002	400,000	3.200	30.4.2002-29.4.2007	
	17.7.2003	300,000	7.625	17.7.2003-16.7.2008	
Joel Arthur Schleicher 先生	25.2.2004	100,000	12.170	25.2.2004-24.2.2009	0.04%
	30.4.2002	200,000	3.200	30.4.2002-29.4.2007	
	17.7.2003	200,000	7.625	17.7.2003-16.7.2008	
Christopher Patrick Langley 先生	25.2.2004	100,000	12.170	25.2.2004-24.2.2009	0.02%
	17.7.2003	200,000	7.625	17.7.2003-16.7.2008	
	25.2.2004	100,000	12.170	25.2.2004-24.2.2009	

3. 此等股份由下列公司持有，而下列公司則由 Horst Julius Pudwill 先生實益擁有：

	股份數目
Sunning Inc.	185,584,764
Cordless Industries Company Limited*	<u>37,075,030</u>
	<u><u>222,659,794</u></u>

4. 此等股份由 Cordless Industries Company Limited* 持有，而該公司則由鍾志平先生實益擁有。

* Cordless Industries Company Limited 由 Horst Julius Pudwill 先生擁有 70% 及鍾志平先生擁有 30%。

1. 責任聲明

本通函乃遵照上市規則之規定提供有關本公司之資料。各董事願就本通函所載資料之準確性共同及個別承擔全部責任（有關循公開途徑獲得ATCO集團公司之資料除外），並於作出一切合理查詢後確認，就彼等所知及確信，本通函並無遺漏任何其他事實以致其內容有所誤導。

2. 披露於股份、相關股份及債權證之權益及淡倉

於最後實際可行日期，本公司之董事及主要行政人員擁有(i)依據證券及期貨條例第XV部第7及8分部須通知本公司及聯交所（包括依據證券及期貨條例規定彼等被視為擁有之權益或淡倉），或(ii)根據證券及期貨條例第352條規定須予保存之登記冊所記錄，或(iii)依據上市規則所載上市發行人董事進行證券交易之標準守則須通知本公司及聯交所，於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證之權益或淡倉如下：

董事	公司／相聯 法團名稱	身份／ 權益性質	股份權益 （依據股本 衍生工具而 持有者除外） ⁽¹⁾	依據股本 衍生工具而 持有之相關 股份權益 ^(1、 2a及b)	股份／ 相關股份 權益總額	佔權益 總額概約 百分比
Horst Julius Pudwill 先生	本公司	實益擁有人	76,554,000	26,688,000	326,661,794	24.17%
	本公司	配偶權益	760,000	—	—	
	本公司	受控法團權益	222,659,794 ⁽³⁾	—	—	
鍾志平先生	本公司	實益擁有人	113,541,948	13,824,000	164,576,978	12.18%
	本公司	配偶權益	136,000	—	—	
	本公司	受控法團權益	37,075,030 ⁽⁴⁾	—	—	
陳建華先生	本公司	實益擁有人	2,319,000	2,000,000	4,319,000	0.32%
陳志聰先生	本公司	實益擁有人	500,000	3,000,000	3,500,000	0.26%
浦上彰夫博士	本公司	實益擁有人	600,000	1,000,000	1,600,000	0.12%
張定球先生	本公司	實益擁有人	1,920,000	800,000	2,720,000	0.20%
Joel Arthur Schleicher 先生	本公司	實益擁有人	200,000	500,000	700,000	0.05%
Christopher Patrick Langley 先生	本公司	實益擁有人	400,000	300,000	700,000	0.05%
Manfred Kuhlmann 先生	—	—	—	—	—	—

出售公司名稱	所屬 司法權區	股本資料	註冊 成立日期	出售公司之 主要業務
A & M Electric Tools (HK) Ltd	香港	法定股本：1港元 單一股東： Electric Power Tools Europe Holding BV	二零零四年 八月十一日	AEG及METCO電動 工具和相關配件 之銷售、市場推廣 及分銷
A & M Electric Tools (Malaysia) Sdn. Bhd.	馬來西亞	法定股本：2馬來西亞元 單一股東： Electric Power Tools Europe Holding BV ¹	二零零四年 九月十四日	電動工具和相關配件 之銷售、市場推廣 及分銷
A & M Electric Tools (Singapore) Pte. Ltd	新加坡	法定股本：1新加坡元 單一股東： Electric Power Tools Europe Holding BV	二零零四年 八月十二日	電動工具和相關配件 之銷售、市場推廣 及分銷
A & M Electric Tools (Thailand) Ltd	泰國	法定股本：1,000,000泰銖 股東： Electric Power Tools Europe Holding BV1: 490,000 Sickla Holding (Thailand) Ltd. ² : 510,000	二零零四年 八月十七日	電動工具和相關配件 之銷售、市場推廣 及分銷
Milwaukee Electric S.A. de C.V.	墨西哥	股本未定 單一股東： Inversora Capricornio S.A. de C.V.	尚未註冊成立	電動工具和相關配件 之銷售、市場推廣 及分銷
Milwaukee Electric Tool (Canada) Ltd.	加拿大	法定股本：250加元 單一股東：Atlas Copco Canada Inc.	二零零四年 十月八日	電動工具和相關配件 之銷售、市場推廣 及分銷

附註：

- 按現時之意向，Electric Power Tools Europe Holding BV將於該交易完成時全資擁有A & M Electric Tools (Malaysia) Sdn. Bhd.。現時相信初始期過後，當地法規可能限制外資實體擁有A & M Electric Tools (Malaysia) Sdn. Bhd.之全部股份。
- Sickla Holding (Thailand) Ltd.為一間泰國代理人控股公司。

出售公司名稱	所屬 司法權區	股本資料	註冊 成立日期	出售公司之 主要業務
D.L.C. America Inc.	美國	法定股份總數：100 股份類別：普通 面值：無面值 單一股東： Atlas Copco North America Inc.	二零零三年 三月十日	主要在美國從事 DreBo品牌電動 工具和配件之 銷售、市場推廣 及分銷
Atlas Copco Elektrowerkzeuge GmbH	德國	法定股本：25,564.59 歐羅 股份數目：1 面值：25,564.59 歐羅 單一股東： Atlas Copco Holding GmbH	一九九七年 一月十五日	電動工具和配件之 銷售、市場推廣及 分銷
Atlas Copco Electric Tools GmbH	德國	法定股本：20,451,675.25 歐羅 股份數目：1 面值：20,451,675.25 歐羅 單一股東： Atlas Copco Holding GmbH	一九八一年 八月十日	電動工具和配件之 開發、生產、 銷售、市場推廣及 分銷
DreBo Werkzeugfabrik GmbH	德國	法定股本：1,000,000.00 歐羅 面值：1,000,000.00 歐羅 股份數目：1 單一股東： Atlas Copco Holding GmbH	一九七九年 一月十日	電動工具和配件之 開發、生產、 銷售、市場推廣及 分銷
A & M Distributions N.V.	比利時	法定股本：62,000 歐羅 股份數目：1 面值：每股1,000 股東： Electric Power Tools Europe Holding BV: 61 股 總值61,000 歐羅 Atlas Copco Electric Tools GmbH: 1 股總值1,000歐羅	二零零四年 七月十六日	電動工具和相關配件 之處理及分銷
Electric Power Tools Europe Holding BV	荷蘭	法定股本：500,000.00 歐羅 已發行股本：100,000.00 實繳股本：110,000.00 單一股東：Atlas Copco AB (publ)	二零零四年 七月一日	從事電動工具和相關 配件之銷售、市場 推廣及分銷業務之 附屬公司之控股 公司
A & M Electric Tools SAS	法國	法定股本：37,000 歐羅 單一股東： Electric Power Tools Europe Holding BV	二零零四年 八月三日	電動工具和相關配件 之銷售、市場推廣 及分銷
A & M Electric Tools Ltd	英國	法定股本：1,000 英鎊 單一股東： Electric Power Tools Europe Holding BV	二零零四年 七月三十日	電動工具和相關配件 之銷售、市場推廣 及分銷

根據購股協議之條款，本公司將會向賣方購入合組成該業務之出售公司連同其附屬公司之全部已發行在外股份。出售公司所屬司法權區及其股本列載如下。

於購股協議之日期，下列出售公司並非全部已註冊成立。現擬於該交易完成前，所有實體將會註冊成立。下文所列載至購股協議日期之股本乃為現有股本或計劃於該交易完成時將發行之股本。因應每個國家所在之資產價值，當地法例可能要求須額外注入資本，因此，該交易完成時之股本可能會與下列者不同。

出售公司名稱	所屬 司法權區	股本資料	註冊 成立日期	出售公司之 主要業務
Esstar Incorporated	美國	法定股份總數：2,300,400 總值：23,004美元 劃分如下： 股份類別：普通 法定股份：1,280,000 面值：0.01 已發行：5,000 股份類別：優先 級別：A 法定股份：1,000,000 面值：0.01 已發行：763,010 股份類別：優先 級別：C 系列：1 法定股份：10,000 面值：0.01 已發行：5,500 股份類別：優先 級別：C 系列：2 法定股份：10,000 面值：0.01 已發行：1,000 股份類別：優先 級別：D 法定股份：400 面值：0.01 已發行：400 全部已發行股份由 Atlas Copco North America Inc. 擁有	一九八九年 六月一日	從事電動工具和配件 開發、生產、 銷售、市場推廣 及分銷業務之 Milwaukee Electric Tool Co.之母公司 之控股公司

外幣款額乃按於二零零四年八月三十一日辦公時間完結時之概約匯率折算為港元。

除上文披露者外，董事已確認自二零零四年八月三十一日以來，擴大後集團之債務及或然負債概無重大變動。

營運資金

依董事之意見，經計及現時之內部財政資源、現有可動用之信貸融資及建議用作進行該交易所需資金之銀行借貸後，在無不可預見情況下，擴大後集團將具備充裕營運資金以應付目前所需。

附註：

1. 該業務之經審核綜合資產負債表以美元計算，並已按1美元兌7.8港元之兌換率折算為港元。
2. 誠如購股協議所載，本公司將不會購入於收購日期該業務之銀行結餘及現金、與ATCO集團公司間之銷售賬款或採購賬款、應收或應付ATCO關連方之款項、可退回稅款、應繳稅項、遞延稅項資產及遞延稅項負債，因此，商譽之調整事實上乃以購股協議作為依據，並對本公司產生持續之影響。

收購該業務產生之商譽金額約為377,800,000港元，即為總代價5,000,100,000港元（包括收購價4,887,300,000港元及估計開支112,800,000港元）與於二零零四年六月三十日收購前之資產淨值4,622,300,000港元（包括於二零零四年六月三十日之淨資產4,304,000,000港元惟不包括於二零零四年六月三十日該業務之銀行結餘及現金、與ATCO集團公司間之銷售賬款或採購賬款、應收或應付ATCO關連方之款項、可退回稅款、應繳稅項、遞延稅項資產及遞延稅項負債合共318,300,000港元）兩者之差額。

3. 備考財務資料乃按在各重大方面與本公司之會計政策相符之形式而編製。

債務聲明

於二零零四年八月三十一日（即本通函付印前就本債務聲明而言之最後實際可行日期）辦公時間完結時，擴大後集團尚有未償還銀行透支約123,321,000港元及其他無抵押銀行借貸約1,400,960,000港元。此外，擴大後集團於該日亦尚有未履行之融資租約及租購合約承擔約28,429,000港元、定息票據約1,131,000,000港元及可換股債券合共約1,092,000,000港元。並無就擴大後集團獲授之信貸融資向擴大後集團提供擔保。於二零零四年八月三十一日起至最後實際可行日期前之期間，並無上述可換股債券被兌換為股份。

於二零零四年八月三十一日辦公時間完結時，擴大後集團就多間聯營公司獲得之銀行融資而向多家銀行提供約20,687,000港元之擔保。擴大後集團尚有關於附有追索權之出口貼現票據之或然負債約181,321,000港元。

此外，截至二零零四年八月三十一日，擴大後集團尚有多宗未完結之法律訴訟。有關此等重大訴訟之詳情載於本通函附錄六內「訴訟」一節。

除前述者或本通函另有披露及集團內公司間之負債與一般採購賬款外，於二零零四年八月三十一日辦公時間完結時，擴大後集團屬下公司概無任何未償還之按揭、抵押、債券或其他借貸資本或銀行透支、貸款、債務證券或類似債務、或任何融資租約或租購合約之承擔或任何擔保或其他重大或然負債。

以下為擴大後集團之備考未經審核經調整合併資產及負債報表概要，乃根據摘錄自創科集團截至二零零四年六月三十日止六個月中期報告內所載於二零零四年六月三十日之未經審核綜合資產淨值，以及本通函附錄三內所載該業務於二零零四年六月三十日之經審核綜合資產淨值而編製，並經就反映該交易之影響而作出調整。

	創科集團 於二零零四年 六月三十日 之未經審核 綜合資產 負債表 百萬港元	該業務 於二零零四年 六月三十日 之經審核 綜合資產 負債表 百萬港元 (附註1)	調整 百萬港元	總額 百萬港元
物業、廠房及設備	863.9	1,152.1		2,016.0
商譽	635.6	3,010.0	377.8 (附註2)	4,023.4
負商譽	(31.0)	—		(31.0)
無形資產	178.7	113.9		292.6
聯營公司投資	132.1	—		132.1
證券投資	38.6	—		38.6
遞延稅項資產	300.7	148.2	(148.2) (附註2)	300.7
其他資產	1.2	31.2		32.4
流動資產				
銷售賬款及其他應收賬	1,579.1	1,003.8	(30.4) (附註2)	2,552.5
應收ATCO關連方之款項	—	560.8	(560.8) (附註2)	—
可退回稅款	1.1	0.8	(0.8) (附註2)	1.1
其他流動資產	2,996.3	975.0	—	3,971.3
銀行結餘、存款及現金	1,971.0	16.4	(5,016.5) (附註2)	(3,029.1)
流動資產總值	6,547.5	2,556.8	(5,608.5)	3,495.8
流動負債				
採購賬款、應付票據及 其他應付賬	(3,427.3)	(725.4)	35.1 (附註2)	(4,117.6)
應付ATCO關連方之款項	—	(822.9)	822.9 (附註2)	—
應繳稅項	(108.2)	(4.7)	4.7 (附註2)	(108.2)
其他流動負債	(862.8)	(749.6)	—	(1,612.4)
流動負債總額	(4,398.3)	(2,302.6)	862.7	(5,838.2)
總資產減流動負債	4,269.0	4,709.6	(4,516.2)	4,462.4
融資租賃之承擔 — 於一年後到期	(3.2)	(146.6)		(149.8)
銀行借貸 — 於一年後到期	(1,405.5)	—	—	(1,405.5)
其他應付賬	—	(34.3)		(34.3)
遞延稅項負債	(47.9)	(212.2)	212.2 (附註2)	(47.9)
少數股東權益	(64.6)	—		(64.6)
撥備	—	(12.5)		(12.5)
	(1,521.2)	(405.6)	212.2	(1,714.6)
資產淨值	2,747.8	4,304.0	(4,304.0)	2,747.8

備考資產負債表乃假定收購該業務之交易已於二零零四年六月三十日完成而編製，僅供說明之用，而基於其性質，備考資產負債表可能並不反映假定收購該業務之交易確實於二零零四年六月三十日完成，擴大後集團於二零零四年六月三十日或以後任何日期之財政狀況。

意見

吾等認為：

- (a) 備考資產負債表乃按照所述基準而妥善編製；
- (b) 該基準與 貴公司之會計政策相符；及
- (c) 就依據上市規則第4章第29段規定披露之備考資產負債表而言，所作出之調整乃屬恰當。

此致

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荃灣
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中國染廠大廈24樓
創科實業有限公司
列位董事 台照

德勤•關黃陳方會計師行
執業會計師
香港
謹啟



德勤•關黃陳方會計師行
香港干諾道中111號
永安中心26樓

Deloitte Touche Tohmatsu
26/F Wing On Centre
111 Connaught Road Central
Hong Kong

敬啟者：

吾等就創科實業有限公司(「貴公司」)於二零零四年十一月二十三日就有關收購Atlas Copco AB旗下Milwaukee®、AEG®及DreBo®電動工具及配件業務公司(「該業務」)(連同貴公司在下文統稱「擴大後集團」)之主要交易而刊發之通函內附錄四所載之備考資產及負債報表(「備考資產負債表」)提呈報告。

責任

根據香港聯合交易所有限公司證券上市規則(「上市規則」)第4章第29段規定，董事對編製之備考資產負債表須負全責。

吾等之責任是按照上市規則之規定對備考資產負債表作出意見，並向閣下提呈報告。除屬吾等於刊發日期發出報告之收件人外，吾等對在此之前就用於編製備考資產負債表內任何財務資料而向吾等提供之任何報告概不承擔任何責任。

意見之基礎

吾等之工作乃參照英國審計實務委員會頒佈之一九九八年投資通函報告準則及公告第8號：「依據上市規則呈報備考財務資料」進行。吾等之工作並不包括對任何基本財務資料進行獨立審查，吾等之主要工作範圍包括以未經調整之財務資料與源頭文件作對照，考慮支持作出調整之憑證並與董事商討備考資產負債表。

29. 披露關連方資料

(I) 關連方交易

該集團於有關期間與關連方進行下列重大交易，董事認為該等交易乃屬日常業務進行之交易。

交易性質	截至十二月三十一日止年度			截至 六月三十日 止六個月
	2001 百萬美元	2002 百萬美元	2003 百萬美元	2004 百萬美元
銷貨予Atlas Copco AB 旗下其他集團公司	13.6	12.6	4.3	1.9
提供會計及行政服務予 Atlas Copco AB旗下 其他集團公司	5.4	5.7	7.6	3.8
支付管理費予Atlas Copco AB 旗下其他集團公司	<u>1.4</u>	<u>1.4</u>	<u>1.0</u>	<u>0.5</u>

截至二零零三年十二月三十一日止年度內，該集團與DreBo之前度擁有人訂立一項租賃協議以租用DreBo之廠房。該協議乃按市場條款訂立，截至二零零四年六月三十日止六個月之年度租金約為700,000美元（二零零三年：900,000美元）。

(II) 關連方結餘

應收／應付Atlas Copco AB 旗下其他集團公司之款項為應收／應付關連方款項。此等款項屬無抵押、免計利息及無固定還款期。

B. 結算日以後事項

自二零零四年六月三十日以後並無發生任何重大事項。

C. 結算日以後財務報表

該集團並無就二零零四年六月三十日以後任何期間編製經審核財務報表。

此致

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國際金融中心二期52樓
UBS AG 台照

德勤•關黃陳方會計師行
執業會計師
香港
謹啟

二零零四年十一月二十三日

27. 經營租賃承擔

租賃

於有關結算日，該集團根據不可撤銷之經營租約尚有須於日後支付最低租金額之承擔，該等租約之屆滿期如下：

	於十二月三十一日			於
	2001	2002	2003	2004
	百萬元	百萬元	百萬元	百萬元
一年內	4.3	4.3	5.0	2.3
兩年後五年內	8.8	8.3	14.5	14.6
五年後	5.6	4.2	18.6	4.6
	<u>18.7</u>	<u>16.8</u>	<u>38.1</u>	<u>21.5</u>

該等租約磋商之租期平均為兩年，租金固定。

28. 或然負債

	於十二月三十一日			於
	2001	2002	2003	2004
	百萬元	百萬元	百萬元	百萬元
擔保及其他或然負債	<u>0.1</u>	<u>0.1</u>	<u>0.3</u>	<u>0.3</u>

此外，該集團牽涉多宗有關侵犯專利權、品牌市場推廣及產品責任之法律訴訟。該集團之管理層相信上述法律訴訟之裁決將不會對該集團構成任何重大不利財務影響。

25. 收購附屬公司

截至二零零三年十二月三十一日止年度內，該集團收購DreBo之100%附投票權股份。現金收購代價為63,200,000美元。該交易採用收購會計法入賬。

	截至 十二月三十一日 止年度 2003 百萬美元
收購之資產淨值	
物業、廠房及設備	8.5
無形資產	1.6
存貨	6.8
銷售賬款及其他應收賬	7.2
銀行結餘及現金	1.6
採購賬款及其他應付賬	(4.5)
	<u>21.2</u>
收購產生之商譽	42.0
	<u>63.2</u>
以現金支付代價	<u>63.2</u>
收購引致之淨現金流出：	
支付之現金代價	63.2
所購入之銀行結餘及現金	(1.6)
	<u>61.6</u>
收購附屬公司相關之現金及 現金等額流出淨額	<u>61.6</u>

截至二零零三年十二月三十一日止年度內所收購之附屬公司為該集團帶來約28,500,000美元之營業額及約4,700,000美元之經營溢利。

26. 主要非現金交易

截至二零零四年六月三十日止六個月內，該集團簽訂關於收購土地及樓宇之融資租約安排，於簽訂融資租約時之總資本值為16,100,000美元。

(ii) 退休後、醫療、牙醫及人壽

Milwaukee 電動工具業務在美國為絕大部份僱員設立一項分享盈利計劃，其屬於界定供款計劃。此外，亦設有一項未撥款之退休後、醫療福利、牙醫及人壽保險計劃。以下為累計福利責任之變動及財務資料內已確認之金額。

	於十二月三十一日			於
	2001	2002	2003	2004
	百萬美元	百萬美元	百萬美元	百萬美元
未撥款界定福利責任之現值	9.8	11.0	13.3	13.3
資產負債表內未確認之 精算虧損淨額	(2.9)	(4.1)	(6.5)	(6.3)
資產負債表內之債務淨額	<u>6.9</u>	<u>6.9</u>	<u>6.8</u>	<u>7.0</u>
資產負債表內撥備變動之對賬				
年初／期初之債務淨額	7.0	6.9	6.9	6.8
本年度收入報表內 已確認之支出淨額	0.8	1.2	1.3	0.8
本年度／期間就未撥款計劃 已支付之福利	(0.9)	(1.2)	(1.4)	(0.6)
年終／期終之債務淨額	<u>6.9</u>	<u>6.9</u>	<u>6.8</u>	<u>7.0</u>
收入報表內已確認之金額如下：				
現行服務成本	0.3	0.4	0.4	0.2
責任之利息	0.5	0.7	0.7	0.4
本年度／期間已確認之 精算虧損淨額	0.0	0.1	0.2	0.2
總額	<u>0.8</u>	<u>1.2</u>	<u>1.3</u>	<u>0.8</u>
主要精算假定(加權)				
折現率	7.5%	6.75%	6.0%	6.0%
醫療成本漲幅(最終)	5.0%	5.0%	5.0%	5.0%

德國業務中撥備之主要退休金計劃責任包括根據服務年資及最終薪酬水平計算之退休福利計劃。若干僱員亦享有名為「Altersteilzeit」之提前退休福利，可於年屆一般退休年期前支取退休金。累計之福利責任連同合併資產負債表內變動之對賬、合併收入報表內已確認之金額、以及與此等計劃相關之主要精算假定如下：

(i) 退休金計劃責任

	於十二月三十一日		於六月三十日	
	2001 百萬美元	2002 百萬美元	2003 百萬美元	2004 百萬美元
未撥款界定				
福利責任之現值	47.5	56.0	73.4	71.5
資產負債表內未確認 之精算收益(虧損)淨額	0.5	1.8	(2.7)	(3.2)
資產負債表內之債務淨額	<u>48.0</u>	<u>57.8</u>	<u>70.7</u>	<u>68.3</u>
資產負債表內撥備 變動之對賬：				
年初／期初之債務淨額	49.8	48.0	57.8	70.7
本年度／期間收入報表內 已確認之支出淨額	3.7	4.0	5.2	2.8
本年度／期間就未撥款計劃 已支付之福利	(2.9)	(3.0)	(3.9)	(2.5)
匯兌差額	(2.6)	8.8	11.6	(2.7)
年終／期終之債務淨額	<u>48.0</u>	<u>57.8</u>	<u>70.7</u>	<u>68.3</u>
收入報表內已確認之 金額如下：				
現行服務成本	0.6	0.6	0.7	0.3
責任之利息	2.6	2.8	3.3	1.9
終止福利	0.5	0.6	1.2	0.6
總額	<u>3.7</u>	<u>4.0</u>	<u>5.2</u>	<u>2.8</u>
主要精算假定(加權)：				
折現率	5.0%	5.0%	5.0%	5.0%
賠償增幅	2.5%	2.5%	2.9%	2.9%
價格漲幅	1.5%	1.5%	1.9%	1.9%

於二零零一年、二零零二年及二零零三年十二月三十一日及二零零四年六月三十日，該集團可用以抵銷日後盈利而仍未運用之稅項虧損分別約為17,000,000美元、20,100,000美元、24,100,000美元及23,000,000美元。就上述虧損已確認之遞延稅項資產金額分別為12,800,000美元、15,000,000美元、18,000,000美元及17,100,000美元。由於不能預計日後有否盈利，故未有就餘下分別為4,200,000美元、5,100,000美元、6,100,000美元及5,900,000美元之金額確認為遞延稅項資產。上述虧損可無限期結轉下年度。

24. 退休福利責任

	於十二月三十一日		於六月三十日	
	2001 百萬美元	2002 百萬美元	2003 百萬美元	2004 百萬美元
退休金計劃責任	48.0	57.8	70.7	68.3
退休後、醫療、牙醫及人壽	6.9	6.9	6.8	7.0
其他	5.4	5.5	5.7	6.4
	<u>60.3</u>	<u>70.2</u>	<u>83.2</u>	<u>81.7</u>

該集團於多個其主要業務所在之國家設立退休金計劃或其他退休後福利計劃。此等計劃屬界定供款或界定福利性質。界定供款計劃之開支於支出時計入盈利內。退休金計劃責任及退休後、醫療、牙醫及人壽保險福利乃按照國際會計準則第19號：「僱員福利」計入有關期間之賬目內。於二零零四年一月一日，所有其他聘用後福利按照國際會計準則第19號入賬，理由為該集團之所有僱員福利均以此準則制訂。

保用撥備乃指管理層就該集團對銷售產品所須承擔責任之最佳估計，乃根據過往產品之維修及更換數據計算之估計成本而釐訂。

重組撥備乃指將生產裝配線由德國遷往捷克共和國所產生之冗餘成本及其他費用。

其他撥備主要包括美國業務中承擔對僱員之相關責任（如醫療保險）及德國業務中承擔對僱員之責任，按屆滿某個服務年期而支付。此外，亦包括若干與法律事宜有關之金額。

23. 遞延稅項(資產)負債

以下為於有關期間獲確認入賬之主要遞延稅項資產及負債與變動：

	加速	僱員相關		其他	總額
	稅項折舊	撥備	撥備		
	百萬美元	百萬美元	百萬美元	百萬美元	百萬美元
於二零零一年一月一日	18.5	(6.8)	(9.4)	9.8	8.0
匯兌調整	—	—	—	0.1	—
扣除(計入)本年度收入	1.3	1.2	(1.2)	2.0	1.5
於二零零一年十二月三十一日	19.8	(5.6)	(10.6)	11.9	9.5
匯兌調整	0.1	(1.4)	(0.5)	2.4	(0.3)
(計入)扣除本年度收入	(1.7)	(0.2)	(1.6)	0.6	(3.2)
於二零零二年十二月三十一日	18.2	(7.2)	(12.7)	14.9	6.0
匯兌調整	1.3	0.8	(1.4)	0.5	0.3
扣除(計入)本年度收入	0.3	0.8	0.5	(0.4)	1.2
收購附屬公司	2.7	—	—	0.3	3.0
於二零零三年十二月三十一日	22.5	(5.6)	(13.6)	15.3	10.5
會計原則之變動(附註2)	—	—	(0.4)	—	(0.4)
匯兌調整	(0.5)	(0.4)	1.5	(0.9)	(0.2)
扣除(計入)本期間收入	0.1	(0.1)	(0.9)	(0.8)	(1.7)
於二零零四年六月三十日	22.1	(6.1)	(13.4)	13.6	8.2

	於十二月三十一日			於
	2001	2002	2003	2004
	百萬美元	百萬美元	百萬美元	百萬美元
遞延稅項資產	(19.1)	(19.8)	(18.2)	(19.0)
遞延稅項負債	28.6	25.8	28.7	27.2
	9.5	6.0	10.5	8.2

22. 撥備

	保用撥備 百萬美元	重組撥備 百萬美元	其他 百萬美元	總額 百萬美元
於二零零一年一月一日	3.6	0.1	7.9	11.6
匯兌調整	(0.1)	—	(0.6)	(0.7)
本年度額外撥備	0.1	0.5	3.4	4.0
已動用之撥備	(0.2)	—	(4.1)	(4.3)
於二零零一年十二月三十一日	3.4	0.6	6.6	10.6
匯兌調整	0.2	0.5	0.6	1.3
本年度額外撥備	2.8	4.4	2.3	9.5
已動用之撥備	(0.1)	(0.3)	(4.8)	(5.2)
於二零零二年十二月三十一日	6.3	5.2	4.7	16.2
匯兌調整	0.2	0.8	0.7	1.7
本年度額外撥備	1.4	0.5	1.2	3.1
收購附屬公司	0.1	—	—	0.1
已動用之撥備	(0.7)	(2.5)	(0.3)	(3.5)
於二零零三年十二月三十一日	7.3	4.0	6.3	17.6
匯兌調整	—	—	(0.3)	(0.3)
本期間額外撥備	0.8	—	0.7	1.5
已動用之撥備	(0.4)	(3.2)	(0.2)	(3.8)
於二零零四年六月三十日	<u>7.7</u>	<u>0.8</u>	<u>6.5</u>	<u>15.0</u>
於二零零一年十二月三十一日：				
非流動	0.1	—	1.2	1.3
流動	3.3	0.6	5.4	9.3
	<u>3.4</u>	<u>0.6</u>	<u>6.6</u>	<u>10.6</u>
於二零零二年十二月三十一日：				
非流動	0.1	4.6	1.0	5.7
流動	6.2	0.6	3.7	10.5
	<u>6.3</u>	<u>5.2</u>	<u>4.7</u>	<u>16.2</u>
於二零零三年十二月三十一日：				
非流動	—	3.8	1.2	5.0
流動	7.3	0.2	5.1	12.6
	<u>7.3</u>	<u>4.0</u>	<u>6.3</u>	<u>17.6</u>
於二零零四年六月三十日：				
非流動	0.5	—	1.1	1.6
流動	7.2	0.8	5.4	13.4
	<u>7.7</u>	<u>0.8</u>	<u>6.5</u>	<u>15.0</u>

20. 其他貸款

其他貸款為短期銀行貸款，平均息率如下：

	截至十二月三十一日止年度			截至六月三十日止六個月
	2001	2002	2003	2004
	%	%	%	%
其他貸款	<u>4.7</u>	<u>2.8</u>	<u>2.9</u>	<u>2.5</u>

21. 其他應付賬

其他應付賬主要包括在美利堅合眾國（「美國」）營運涉及之一般商業責任保險及員工賠償。

17. 採購賬款及其他應付賬

於有關結算日，採購賬款之賬齡分析如下

	於十二月三十一日			於
	2001	2002	2003	2004
	百萬元	百萬元	百萬元	百萬元
零至三十日	15.8	17.7	14.9	19.8
三十一日至六十日	15.9	17.8	15.0	19.9
	<u>31.7</u>	<u>35.5</u>	<u>29.9</u>	<u>39.7</u>

18. 財務負債

採購賬款及其他應付賬和應付關連方款項主要包括未支付之採購款項及持續費用。採購賬款之掛賬期平均為六十日。董事認為採購賬款及其他應付賬之賬面值與其公平值相若，理由為此等財務項目之到期日均屬短期。

19. 融資租約之承擔

融資租約之承擔還款期如下：

	最低支付租金額				最低支付租金額之現值			
	於十二月三十一日		於六月三十日		於十二月三十一日		於六月三十日	
	2001	2002	2003	2004	2001	2002	2003	2004
	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元
融資租約之還款額：								
一年內	0.1	0.1	0.3	1.6	—	—	0.1	—
兩年後五年內	0.7	0.7	1.5	5.2	0.2	0.2	0.4	0.5
五年後	2.1	1.9	3.7	22.4	0.9	1.3	2.5	18.3
	<u>2.9</u>	<u>2.7</u>	<u>5.5</u>	<u>29.2</u>	<u>1.1</u>	<u>1.5</u>	<u>3.0</u>	<u>18.8</u>
減：日後財務費用	(1.8)	(1.2)	(2.5)	(10.4)	—	—	—	—
租賃承擔之現值	<u>1.1</u>	<u>1.5</u>	<u>3.0</u>	<u>18.8</u>	<u>1.1</u>	<u>1.5</u>	<u>3.0</u>	<u>18.8</u>
減：一年內到期列作 流動負債款項					—	—	(0.1)	—
一年後到期款項					<u>1.1</u>	<u>1.5</u>	<u>2.9</u>	<u>18.8</u>

該集團之政策為根據融資租約租賃若干廠房設備及機器，租約期介乎一年至七年。息率於合約日期釐訂而所有租約均採用固定還款形式。

14. 存貨

	於十二月三十一日			於
	2001	2002	2003	2004
	百萬美元	百萬美元	百萬美元	百萬美元
原料	1.4	1.1	3.4	3.7
在製品	46.2	64.1	59.4	58.5
製成品	52.5	61.7	55.9	62.8
	<u>100.1</u>	<u>126.9</u>	<u>118.7</u>	<u>125.0</u>

於有關結算日，並無存貨以可變現淨值列賬。

15. 銷售賬款及其他應收賬

該集團給予客戶之掛賬期不超過一百二十日。

於有關結算日，銷售賬款之賬齡分析如下：

	該集團			
	於十二月三十一日			於
	2001	2002	2003	2004
	百萬美元	百萬美元	百萬美元	百萬美元
零至三十日	68.4	68.0	71.3	82.5
三十一日至六十日	26.9	30.5	35.0	29.5
六十一日至九十日	5.1	6.1	6.9	4.8
九十日以上	2.6	3.7	2.7	2.5
	<u>103.0</u>	<u>108.3</u>	<u>115.9</u>	<u>119.3</u>

16. 財務資產

董事認為銷售賬款及其他應收賬和應收關連方款項之賬面值與其公平值相若，理由為此等財務項目之到期日均屬短期。

銀行結餘及現金包括該集團因司庫功能而持有之現金及短期存款。此等資產之賬面值與其公平值相若。

信貸風險

該集團之信貸風險主要來自銷售賬款。合併資產負債表上呈列之金額經扣除該集團之管理層根據過往經驗及當前經濟環境估計作出之呆賬撥備。

流動資金及衍生金融工具之信貸風險有限，理由為對手方均屬獲得國際信貸評級機構給予高信貸評級之銀行。

由於風險分散於大量對手方及客戶，該集團之信貸風險集中程度不大。

13. 其他無形資產

	開發費用 百萬美元	專利權 及商標 百萬美元	電腦軟件 百萬美元	總額 百萬美元
成本				
於二零零一年一月一日	—	4.5	1.5	6.0
匯兌調整	—	(0.3)	(0.1)	(0.4)
添置	0.5	—	0.1	0.6
於二零零一年十二月三十一日	0.5	4.2	1.5	6.2
匯兌調整	—	0.8	0.4	1.2
添置	2.7	—	—	2.7
出售	(0.4)	—	—	(0.4)
於二零零二年十二月三十一日	2.8	5.0	1.9	9.7
匯兌調整	—	1.1	0.6	1.7
添置	2.4	—	2.2	4.6
收購附屬公司	—	1.6	0.4	2.0
本年度撤銷	(0.2)	—	—	(0.2)
於二零零三年十二月三十一日	5.0	7.7	5.1	17.8
匯兌調整	1.2	(0.1)	(1.4)	(0.3)
添置	2.0	—	0.1	2.1
於二零零四年六月三十日	8.2	7.6	3.8	19.6
攤銷				
於二零零一年一月一日	—	—	1.4	1.4
匯兌調整	—	—	(0.2)	(0.2)
本年度支出	0.3	0.3	0.1	0.7
於二零零一年十二月三十一日	0.3	0.3	1.3	1.9
匯兌調整	—	0.1	0.3	0.4
本年度支出	0.2	0.3	0.1	0.6
撤除時對銷	(0.4)	—	—	(0.4)
於二零零二年十二月三十一日	0.1	0.7	1.7	2.5
匯兌調整	(0.2)	0.2	0.4	0.4
本年度支出	0.4	0.5	—	0.9
收購附屬公司	—	—	0.4	0.4
於二零零三年十二月三十一日	0.3	1.4	2.5	4.2
匯兌調整	0.1	(0.1)	(0.1)	(0.1)
本期間支出	0.5	0.3	0.1	0.9
於二零零四年六月三十日	0.9	1.6	2.5	5.0
賬面淨值				
於二零零一年十二月三十一日	0.2	3.9	0.2	4.3
於二零零二年十二月三十一日	2.7	4.3	0.2	7.2
於二零零三年十二月三十一日	4.7	6.3	2.6	13.6
於二零零四年六月三十日	7.3	6.0	1.3	14.6

上述無形資產分三年至二十年以直線法攤銷。

凡該集團認為屬於具可觀長形無形資產價值策略意義之收購，其商譽之估計使用年限定為二十年以上。凡可為該集團開拓重大新地域及／或產品市場之收購均被視為具策略意義。該集團收購Milwaukee品牌之電動工具業務（「Milwaukee電動工具業務」）時採用之估計使用年限為二十年以上。會計原則假定商譽具一個有期限之使用年期，根據進行收購時在美國已生效之指引，管理層選擇以四十年作為對概約使用年限之最佳估計。

Milwaukee電動工具業務乃於一九九五年收購，是該集團晉身為工業用、商用及住宅建築市場上供輕型建築及樓宇設施安裝使用之專業級電動工具領導者之部份策略。Milwaukee電動工具業務之歷史可追溯至二十年代，為美國最知名品牌之一。上述收購使該集團可直接及即時進軍具關鍵性之美國市場，同時引進新產品系列及開拓客戶層面。Milwaukee電動工具業務之寶貴品牌及市場地位歷八十年累積建立，將於日後帶來回報。作為建立品牌之部份策略，於二零零二年及二零零三年推行廣泛宣傳計劃，Milwaukee電動工具業務之品牌在歐洲及澳洲再度面世。

Milwaukee電動工具業務會一如既往繼續帶來大量流動現金，並憑藉其品牌知名度及廣大客戶帶來其他得益。此等因素連同上段所載資料充份說明以二十年以上作為估計使用年限之因由。

截至二零零三年十二月三十一日止年度，收購DreBo所增加之商譽分二十年攤銷。

截至二零零四年六月三十日止六個月內，該集團再支付1,800,000美元予DreBo之前度擁有人，作為解除該集團於原先收購DreBo時所簽訂之既有「多賺多付」條款。

12. 商譽

百萬美元

成本

於二零零一年一月一日、二零零一年十二月三十一日 及二零零二年十二月三十一日	440.0
匯兌調整	4.4
收購附屬公司	42.0

於二零零三年十二月三十一日	486.4
匯兌調整	(1.3)
上年度收購附屬公司之額外代價	1.8

於二零零四年六月三十日	486.9
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攤銷

於二零零一年一月一日	59.6
本年度支出	11.0

於二零零一年十二月三十一日	70.6
本年度支出	11.0

於二零零二年十二月三十一日	81.6
匯兌調整	0.2
本年度支出	12.6

於二零零三年十二月三十一日	94.4
匯兌調整	(0.1)
本期間支出	6.7

於二零零四年六月三十日	101.0
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賬面淨值

於二零零一年十二月三十一日	369.4
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於二零零二年十二月三十一日	358.4
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於二零零三年十二月三十一日	392.0
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於二零零四年六月三十日	385.9
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	永久業權 土地及樓宇 百萬美元	廠房機器 及設備 百萬美元	在建工程 百萬美元	總額 百萬美元
賬面淨值				
於二零零一年十二月三十一日	<u>41.8</u>	<u>75.9</u>	<u>10.7</u>	<u>128.4</u>
於二零零二年十二月三十一日	<u>46.7</u>	<u>74.0</u>	<u>8.2</u>	<u>128.9</u>
於二零零三年十二月三十一日	<u>53.0</u>	<u>74.1</u>	<u>12.3</u>	<u>139.4</u>
於二零零四年六月三十日	<u>69.1</u>	<u>69.4</u>	<u>9.2</u>	<u>147.7</u>

所有永久業權土地及樓宇均位於香港境外。

該集團旗下物業、廠房及設備於二零零一年、二零零二年及二零零三年十二月三十一日及二零零四年六月三十日之賬面值中分別有1,100,000美元、1,500,000美元、2,900,000美元及18,800,000美元乃屬於根據融資租約持有之資產。

11. 物業、廠房及設備

	永久業權 土地及樓宇 百萬美元	廠房機器 及設備 百萬美元	在建工程 百萬美元	總額 百萬美元
成本				
於二零零一年一月一日	60.0	221.2	19.4	300.6
匯兌調整	(2.0)	(5.3)	(0.2)	(7.5)
添置	2.0	17.6	—	19.6
轉撥	—	8.5	(8.5)	—
出售	(0.4)	(5.9)	—	(6.3)
於二零零一年十二月三十一日	59.6	236.1	10.7	306.4
匯兌調整	6.8	17.7	0.2	24.7
添置	2.4	17.8	—	20.2
轉撥	—	2.7	(2.7)	—
出售	—	(7.1)	—	(7.1)
於二零零二年十二月三十一日	68.8	267.2	8.2	344.2
匯兌調整	9.2	25.4	0.3	34.9
添置	1.9	15.7	3.8	21.4
收購附屬公司	1.2	7.3	—	8.5
出售	(0.2)	(11.0)	—	(11.2)
於二零零三年十二月三十一日	80.9	304.6	12.3	397.8
匯兌調整	(1.8)	(5.6)	0.1	(7.3)
添置	19.8	4.8	—	24.6
轉撥	—	3.2	(3.2)	—
出售	(1.6)	(3.3)	—	(4.9)
於二零零四年六月三十日	97.3	303.7	9.2	410.2
累計折舊				
於二零零一年一月一日	16.9	150.0	—	166.9
匯兌調整	(0.6)	(4.9)	—	(5.5)
本年度撥備	1.5	20.0	—	21.5
出售時撇除	—	(4.9)	—	(4.9)
於二零零一年十二月三十一日	17.8	160.2	—	178.0
匯兌調整	2.6	15.6	—	18.2
本年度撥備	1.7	22.6	—	24.3
出售時撇除	—	(5.2)	—	(5.2)
於二零零二年十二月三十一日	22.1	193.2	—	215.3
匯兌調整	3.8	22.1	—	25.9
本年度撥備	2.0	24.4	—	26.4
出售時撇除	—	(9.2)	—	(9.2)
於二零零三年十二月三十一日	27.9	230.5	—	258.4
匯兌調整	(0.4)	(5.0)	—	(5.4)
本期間撥備	1.2	12.0	—	13.2
出售時撇除	(0.5)	(3.2)	—	(3.7)
於二零零四年六月三十日	28.2	234.3	—	262.5

10. 董事及僱員酬金

經計及本報告用途，並未有呈列董事酬金，理由為該等資料不具實質意義。

僱員酬金

有於關期間，五位最高薪酬人士之酬金如下：

	截至十二月三十一日止年度			截至 六月三十日
	2001	2002	2003	止六個月 2004
	百萬美元	百萬美元	百萬美元	百萬美元
薪酬及其他福利	0.8	1.1	1.3	0.7
退休福利計劃供款	0.1	0.1	0.2	—
表現獎勵金	0.1	0.3	0.1	—
	<u>1.0</u>	<u>1.5</u>	<u>1.6</u>	<u>0.7</u>

五位最高薪酬人士之酬金幅度如下：

	截至十二月三十一日止年度			截至 六月三十日
	2001	2002	2003	止六個月 2004
零至128,000美元	1	—	—	2
128,001美元至192,000美元	2	1	—	3
192,001美元至256,000美元	1	1	2	—
256,001美元至321,000美元	—	2	1	—
321,001美元至385,000美元	1	—	1	—
385,001美元至449,000美元	—	—	—	—
449,001美元至513,000美元	—	—	1	—
513,001美元至577,000美元	—	1	—	—
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

最高薪酬人士中並無該集團之董事。

於有關期間，該集團概無支付酬金予董事或五位最高薪酬人士，作為其加入該集團之酬勞或離職之補償。於有關期間，並無董事放棄酬金。

於二零零一年、二零零二年及二零零三年十二月三十一日及二零零四年六月三十日，該集團僱員總人數分別為3,249、3,211、3,135及2,996。

編製財務資料時，即使該集團內之實體包括有關國家內綜合稅項組別之成員公司，所得稅撥備會按應佔溢利基準計算。呈列有關期間德國業務之經營虧損淨額已用於德國之綜合稅項組別，故不可再用以抵銷日後之應課稅收入。

本年度／期間之稅項開支與收入報表內之溢利對賬如下：

	截至十二月三十一日止年度			截至 六月三十日 止六個月
	2001 百萬美元	2002 百萬美元	2003 百萬美元	2004 百萬美元
除稅前溢利	24.8	26.3	29.7	19.8
按加權平均所得稅率計算之稅項	(9.8)	(10.4)	(11.6)	(7.8)
稅務上不可扣減開支之稅項影響	(4.7)	(4.5)	(5.4)	(2.9)
稅率變動	—	—	(0.1)	—
其他	1.5	0.3	0.4	1.5
本年度／期間稅項開支	<u>(13.0)</u>	<u>(14.6)</u>	<u>(16.7)</u>	<u>(9.2)</u>

8. 股息

該集團於有關期間並無派發或宣派股息。

9. 每股盈利

經計及本報告用途，並未有呈列每股盈利，理由為該等資料不具實質意義。

5. 利息收入

	截至十二月三十一日止年度			截至 六月三十日
	2001	2002	2003	2004
	百萬美元	百萬美元	百萬美元	百萬美元
銀行存款利息	0.1	—	—	—
應收關連公司款項	0.8	1.2	1.1	0.4
	<u>0.9</u>	<u>1.2</u>	<u>1.1</u>	<u>0.4</u>

6. 財務成本

	截至十二月三十一日止年度			截至 六月三十日
	2001	2002	2003	2004
	百萬美元	百萬美元	百萬美元	百萬美元
利息：				
須於五年內悉數償還之銀行貸款 及其他貸款	3.1	3.4	4.2	2.2
應付關連公司款項	5.0	2.7	3.4	1.6
融資租約之承擔	0.1	0.1	0.1	0.2
	<u>8.2</u>	<u>6.2</u>	<u>7.7</u>	<u>4.0</u>

7. 稅項

	截至十二月三十一日止年度			截至 六月三十日
	2001	2002	2003	2004
	百萬美元	百萬美元	百萬美元	百萬美元
稅項(開支)撥回包括：				
現行稅項	(11.5)	(17.8)	(15.5)	(10.9)
遞延稅項(附註23)	(1.5)	3.2	(1.2)	1.7
	<u>(13.0)</u>	<u>(14.6)</u>	<u>(16.7)</u>	<u>(9.2)</u>

瑞典國內所得稅率乃根據本年度／期間估計應課稅溢利按28%(截至二零零一年、二零零二年及二零零三年十二月三十一日止年度及截至二零零四年六月三十日止六個月：28%)之稅率計算。

其他司法權區之稅項按有關地區之適用稅率計算。

4. 經營溢利

	截至十二月三十一日止年度			截至
	2001	2002	2003	六月三十日 止六個月
	百萬元	百萬元	百萬元	百萬元
經營溢利已扣除(計入)下列各項：				
計入其他營運開支中之				
無形資產攤銷	0.7	0.6	0.9	0.9
計入其他營運開支中之				
商譽攤銷	11.0	11.0	12.6	6.7
核數師酬金	0.2	0.2	0.1	0.1
物業、廠房及設備折舊及攤銷	21.5	24.3	26.4	13.2
經營租約支出：				
物業	0.9	1.1	1.8	1.3
汽車	0.6	0.6	0.7	0.6
廠房設備及機器	2.0	2.0	2.1	1.3
其他資產	1.3	2.4	2.7	1.0
出售物業、廠房及設備之虧損	0.5	1.3	1.0	—
研究及開發費用	22.0	23.7	22.6	13.1
減：撥充資產數額	(0.5)	(2.7)	(2.4)	(2.0)
	<u>21.5</u>	<u>21.0</u>	<u>20.2</u>	<u>11.1</u>
退休福利計劃供款	15.2	16.6	16.6	8.7
員工成本				
董事酬金	—	—	—	—
其他	151.7	155.2	165.5	85.5
	<u>166.9</u>	<u>171.8</u>	<u>182.1</u>	<u>94.2</u>

上文披露之員工成本並不包括研究及開發活動金額14,600,000美元、15,800,000美元、16,100,000美元及8,100,000美元，該金額分別列入截至二零零一年、二零零二年及二零零三年十二月三十一日止年度及截至二零零四年六月三十日止六個月之研究及開發費用內。

	北美洲 百萬美元	歐洲 百萬美元	其他國家 百萬美元	對銷 百萬美元	總額 百萬美元
截至二零零四年六月 三十日止六個月					
營業額					
向外銷售	236.1	105.3	10.6	—	352.0
分類部門間銷售 *	5.3	11.0	—	(16.3)	—
總額	<u>241.4</u>	<u>116.3</u>	<u>10.6</u>	<u>(16.3)</u>	<u>352.0</u>

* 分類部門間銷售以當時之市場費率計算。

業績					
分類業績	<u>20.2</u>	<u>2.9</u>	<u>0.3</u>	<u>—</u>	23.4
利息收入					0.4
財務成本					<u>(4.0)</u>
除稅前溢利					19.8
稅項					<u>(9.2)</u>
本期間溢利					<u>10.6</u>

截至二零零四年六月
三十日止六個月
之其他資料

增添資本	7.3	19.4	—	—	26.7
折舊及攤銷	<u>14.4</u>	<u>6.4</u>	<u>—</u>	<u>—</u>	<u>20.8</u>

於二零零四年
六月三十日
之資產及負債

資產					
分類資產	584.7	211.2	9.3	—	805.2
未分配企業資產					<u>93.8</u>
合併資產總值					<u>899.0</u>
負債					
分類負債	74.4	31.7	6.1	—	112.2
未分配企業負債					<u>235.0</u>
合併負債總值					<u>347.2</u>

	北美洲 百萬美元	歐洲 百萬美元	其他國家 百萬美元	對銷 百萬美元	總額 百萬美元
截至二零零三年十二月 三十一日止年度					
營業額					
向外銷售	477.8	195.6	19.3	—	692.7
分類部門間銷售 *	11.3	25.7	—	(37.0)	—
總額	<u>489.1</u>	<u>221.3</u>	<u>19.3</u>	<u>(37.0)</u>	<u>692.7</u>

* 分類部門間銷售以當時之市場費率計算。

業績					
分類業績	<u>38.2</u>	<u>(2.7)</u>	<u>0.8</u>	<u>—</u>	36.3
利息收入					1.1
財務成本					<u>(7.7)</u>
除稅前溢利					29.7
稅項					<u>(16.7)</u>
本年度溢利					<u>13.0</u>

截至二零零三年十二月
三十一日止年度
之其他資料

增添資本	15.1	10.9	—	—	26.0
折舊及攤銷	<u>29.4</u>	<u>10.5</u>	<u>—</u>	<u>—</u>	<u>39.9</u>

於二零零三年
十二月三十一日
之資產及負債

資產					
分類資產	581.4	199.0	8.7	—	789.1
未分配企業資產					<u>88.3</u>
合併資產總值					<u>877.4</u>
負債					
分類負債	68.0	13.5	4.8	—	86.3
未分配企業負債					<u>256.3</u>
合併負債總值					<u>342.6</u>

	北美洲 百萬美元	歐洲 百萬美元	其他國家 百萬美元	對銷 百萬美元	總額 百萬美元
截至二零零二年十二月三十一日止年度					
營業額					
向外銷售	489.2	161.0	14.3	—	664.5
分類部門間銷售 *	14.6	28.4	—	(43.0)	—
總額	<u>503.8</u>	<u>189.4</u>	<u>14.3</u>	<u>(43.0)</u>	<u>664.5</u>
* 分類部門間銷售以當時之市場費率計算。					
業績					
分類業績	<u>32.3</u>	<u>(1.5)</u>	<u>0.5</u>	<u>—</u>	31.3
利息收入					1.2
財務成本					<u>(6.2)</u>
除稅前溢利					26.3
稅項					<u>(14.6)</u>
本年度溢利					<u>11.7</u>
截至二零零二年十二月三十一日止年度之其他資料					
增添資本	15.8	7.1	—	—	22.9
折舊及攤銷	<u>29.2</u>	<u>6.7</u>	<u>—</u>	<u>—</u>	<u>35.9</u>
於二零零二年十二月三十一日之資產及負債					
資產					
分類資產	608.7	124.7	6.6	—	740.0
未分配企業資產					<u>65.0</u>
合併資產總值					<u>805.0</u>
負債					
分類負債	75.9	32.8	3.3	—	112.0
未分配企業負債					<u>180.2</u>
合併負債總值					<u>292.2</u>

3. 業務及地域市場分析資料

業務分析資料

該集團之營業額、資產及負債全數源自生產及銷售電動工具產品和相關配件。因此，並無呈列按業務劃分之財務資料分析。

地域市場分析資料

	北美洲 百萬美元	歐洲 百萬美元	其他國家 百萬美元	對銷 百萬美元	總額 百萬美元
截至二零零一年十二月 三十一日止年度					
營業額					
向外銷售	470.6	162.2	11.9	—	644.7
分類部門間銷售 *	4.6	22.5	—	(27.1)	—
總額	<u>475.2</u>	<u>184.7</u>	<u>11.9</u>	<u>(27.1)</u>	<u>644.7</u>

* 分類部門間銷售以當時之市場費率計算。

業績					
分類業績	<u>32.1</u>	<u>—</u>	<u>—</u>	<u>—</u>	32.1
利息收入					0.9
財務成本					(8.2)
除稅前溢利					24.8
稅項					(13.0)
本年度溢利					<u>11.8</u>

截至二零零一年十二月
三十一日止年度
之其他資料

增添資本	14.9	5.3	—	—	20.2
折舊及攤銷	<u>26.4</u>	<u>6.8</u>	<u>—</u>	<u>—</u>	<u>33.2</u>

於二零零一年
十二月三十一日
之資產及負債

資產					
分類資產	610.5	99.4	4.9	—	714.8
未分配企業資產					57.3
合併資產總值					<u>772.1</u>
負債					
分類負債	66.3	24.5	2.0	—	92.8
未分配企業負債					174.0
合併負債總值					<u>266.8</u>

衍生金融工具

該集團採用衍生金融工具(主要為外匯遠期合約)以對沖與若干固定承擔及預計交易相關之外匯波動風險。該等衍生金融工具按成本(如有)初步列賬，並於以後之呈報日期重新釐訂其公平值。

由於該集團並無採納正式指定以金融工具作對沖之規定，對公平值之調整金額計入收入報表內。

撥備

如因過去某件事件令致該集團在法律上負有或被推定為負有責任，並可能要付出經濟利益以解除該責任，則會在資產負債表上作出撥備。保用撥備費用於出售有關產品日期根據過往產品維修及更換之數據而估計之成本予以確認。當該集團已制訂詳盡之正式重組計劃，並已展開或公佈有關計劃時，重組撥備費用會予以確認。

遞延稅項乃為財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間之差異而預計應繳付或可退回之稅項，並採用「資產負債表負債法」入賬。遞延稅項負債一般按所有應課稅暫時性差異予以確認，而遞延稅項資產之確認額度以可用作抵銷可能會產生應課稅溢利之可扣減臨時性差異為限。倘若臨時性差異乃基於商譽（或負商譽）或因一項不影響稅務溢利或會計溢利之交易（業務合併除外）而開始確認其他資產及負債所引致，則有關資產及負債不予確認。

遞延稅項資產之賬面值會於每個結算日予以檢討，並在不可能再有充足應課稅溢利之情況下，遞減至可收回全部或部份資產。

遞延稅項按預計於償還負債或變現資產期間適用之稅率計算。遞延稅項於收入報表內扣除或計入，惟如關乎直接於股東權益內扣除或計入之項目，則遞延稅項亦會撥入股東權益處理。

倘若關乎同一稅務機關徵收之所得稅，而該集團擬以淨額方式結算現行稅項資產及負債，則遞延稅項資產及負債可互相抵銷。

外幣兌換

該集團之財務紀錄主要以美元及歐羅計算。以美元及歐羅以外幣值計價之交易乃按交易日期之匯率初步計價。於每個結算日，凡以外幣計價之貨幣資產及負債按結算日之匯率再行換算。因匯兌引起之損益均撥入年內之溢利或虧損淨額。

編製綜合賬目時，該集團海外業務之資產及負債均按結算日之匯率折算為美元。收入及支出項目按有關期間之平均匯率折算為美元。引起之匯兌差額（如有）列作股東權益並轉撥往該集團之換算儲備。上述匯兌差額於出售有關業務之期間被確認為收入或支出。

退休福利費用

對界定供款退休福利計劃之付款於到期支付時扣除。

該集團就界定福利計劃及除退休金以外之其他長期服務福利承擔之責任淨額，乃採用預計單位信貸法按估計有關僱員於本期間及以往期間服務所應得之日後福利金額，因應每項計劃而獨立計算；有關福利會折作現值計算。所採用之折現率乃根據到期日與承擔責任年期相若之優質固定收益債券釐訂。

存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本包括直接物料及(如適用)直接工資及使存貨達致現址和狀況所產生之間接成本。成本採用先入先出法計算。可變現淨值按估計淨售價減所有進一步生產成本及相關之市場推廣、出售及分銷費用而釐訂。

金融工具

當該集團成為金融工具條款立約一方時，金融資產及金融負債會於該集團之資產負債表上確認。

銷售賬款及其他應收賬

銷售賬款及其他應收賬和應收關連方款項按面值減去就估計不可收回款額而作出之撥備後列賬。

採購賬款及其他應付賬

採購賬款及其他應付賬和應付關連方款項按面值列賬。

銀行借貸

須付利息之銀行貸款及透支按所得款項扣除直接發行成本後列賬。財務費用按累計基準採用實際利率法計入合併收入報表，並按於產生之期間尚未償還金額加入金融工具賬面值中。

租賃

凡租約條款實質上將資產擁有權附帶之一切風險及回報撥歸予該集團之租約，均列為融資租約。根據融資租約持有之資產按其於購買日期之公平價值撥充資本。出租人之相應負債扣除利息開支後列入資產負債表內作為融資租約之承擔。財務成本，即租賃承擔總額與所收購資產之公平價值兩者差額乃按有關租約年期於收入報表內扣除，以便就承擔之餘額於每個會計期間內產生恒常之定期開支。

所有其他租約均列為經營租約，而全年租金乃按有關租約年期以直線法於收入報表內扣除。

稅項

所得稅開支乃為現行應繳稅項與遞延稅項之總額。

現行應繳稅項根據本年度／期間之應課稅溢利計算。應課稅溢利與收入報表內呈報之純利兩者差異乃基於其並無計入其他年度之應課稅收入或可扣減支出項目，亦無計入永毋須課稅及不獲扣減之收支項目所致。該集團須繳付之現行稅項按於結算日前已制訂或實質上已制訂之稅率計算。

因出售資產或撤換資產所引致之溢利或虧損按出售所得款項與資產賬面值之差額釐訂並計入合併收入報表內。

根據融資租約持有之資產乃按其預計可用年限或有關租約年期兩者中之較短者，採用與自置資產相同之基準計算折舊。

研究及開發費用

撥作研究活動之費用於產生之期間內確認為開支。

因開發費用而於內部產生之無形資產只會在預期某項明確界定之項目之開發成本將可從日後之商業活動中得到彌補之情況下方予確認。由此產生之資產按成本減累計攤銷及累計減損後列賬，並按估計可用年限以直線法攤銷。

如不能被確認為屬內部產生之無形資產時，開發費用會於產生之期間內確認為開支。

專利權及商標

專利權及商標按收購成本初步計算，並按估計可用年限以直線法攤銷。

減值

於每個結算日，該集團均會檢討有形資產與無形資產之賬面值，以確定此等資產有否出現減值。倘若出現減值，會估計該資產之可收回款額以確定減值金額(如有)。倘若不可能估計個別資產之可收回款額，則該集團會估計資產所屬產生現金單位之可收回款額。

可收回款額為淨售價與使用中價值兩者中之較高者。評估使用中價值時，採用稅前折現比率將估計日後現金流量折作現值計算，從而反映目前市場對該資產相關款額之時間值及風險之評估。

倘若某項資產(或產生現金單位)之可收回款額估計低於其賬面值，則該資產(或產生現金單位)之賬面值會被遞減至可收回款額之水平。減值會即時被確認為開支。

倘若其後撥回減值，則該資產(或產生現金單位)之可收回款額會被遞增至估計可收回款額經修訂後之水平，惟所增加之賬面值不會超過假定該資產(或產生現金單位)於以往年度未有被確認出現減值而應已被確定之賬面值。撥回之減值會即時被確認為收入。

其他資產

其他資產按成本扣除任何確定減值後列賬。

2. 主要會計政策

財務資料採用歷史成本慣例編製。編製財務資料時所採用與國際財務報告準則相符之主要會計政策如下：

會計原則之變動

呈列財務資料時，管理層已調整所示有關期間之會計入賬方法以便在各主要方面符合國際財務報告準則，包括調整所有主要之聘用後福利計劃。於二零零四年一月一日，該集團推行國際會計準則第19號：「僱員福利」。採納此準則之影響關乎非主要之退休後福利計劃，其於採納日期涉及金額為800,000美元。

商譽

綜合賬目時產生之商譽乃指收購附屬公司之購買代價超過該集團佔所收購業務於收購日期之可區別資產及負債公平價值之數額。

商譽會撥充資產並按其估計可用年限以直線法攤銷。收購附屬公司時產生之商譽於資產負債表上另行呈列。透過估計該集團與商譽相關之折現日後現金流量，定期評估商譽之減損。

出售附屬公司時，應佔之未攤銷商譽數額在釐定出售業務之溢利或虧損時會計算在內。

收入確認

當出售之貨品已付運及擁有權之主要風險及回報均已轉移時，銷售收入被確認。

利息收入乃就未償還本金按適用利率及時期比例計算。

物業、廠房及設備

物業、廠房及設備(在建工程除外)乃按成本扣除累計折舊及任何確定減值後列賬。

資產(在建工程除外)之折舊乃按其估計可用年限，以直線法攤銷其成本，基準如下：

永久業權土地	無
樓宇	25年至50年
廠房設備及機器	3年至10年

在建工程為興建中作為生產或行政用途或仍未定出用途之資產，按成本扣除任何確定減值後列賬。成本包括所有該等項目應佔之建築費用及其他直接成本(包括專業費用)。已落成建築工程之成本撥往其他適當之物業、廠房及設備類別內，而此等資產會採用與其他資產相同之基準計算折舊，直至有關資產之建築工程落成為止。

財務資料附註

1. 財務資料之編列基準

財務資料乃呈列該集團之合併業績、合併現金流量表、合併股東權益變動表及合併資產負債表，就本報告而言，乃假設該集團被視為一持續經營之實體，而目前之集團架構自二零零一年一月一日以來即已存在。

該集團為Atlas Copco AB集團公司之一部份。該集團擁有全系列設計作專業用途之非充電式及充電式電動工具產品，由鑽孔機、鋸具、研磨機及錘機以至特定用途之工具，如螺絲刨光機及充電式鉗接鎗和其他。該集團亦主力銷售配件。

本報告所示有關期間之財務資料乃根據分割基準而編製。除有關全屬該集團擁有之法定實體之財務資料外，財務資料亦包括非全屬該集團擁有之其他法定實體之資產、負債、銷售額及開支。同時包括攤分自Atlas Copco AB之款額以便能依據獨立單一基準顯示該集團之財政狀況、經營業績及現金流量。此外，亦包括若干分配款項及和關連方之交易（詳見附註29）。公司間所有重大交易已於編製財務資料時予以對銷。

有關構成非全屬該業務擁有之法定實體該部份之營運，退休金及其他退休後福利費用按個別業務就僱員所屬特定計劃所引致之費用計算。退休金計劃詳載於附註24。

以往該集團之業績計入Atlas Copco集團公司業務所屬或稅項組別內各法定實體提交之合併所得稅報稅表內。財務資料中有關該集團之所得稅開支按照獨立單一提交報稅表之基準計算。

管理層認為已呈列為公允地編列財政狀況、經營業績及現金流量而需作出之所有重大調整。本報告內包含之財務資料並不一定反映假定該集團為獨立單一實體，該集團於日後或所示有關期間之合併營運業績、財政狀況、股東權益變動及現金流量。

由於該集團大部份交易以美元為單位，Atlas Copco AB呈列之財務資料採用美元計算。

除若干編列上之差異外，國際財務報告準則與香港公認會計原則之間並無存在可能會對合併財務報表構成顯著影響之重大差異。

合併現金流量表(續)

	截至十二月三十一日止年度			截至 六月三十日 止六個月
	2001 百萬美元	2002 百萬美元	2003 百萬美元	2004 百萬美元
融資活動				
取得(支付)其他短期貸款	0.5	0.4	2.9	(0.4)
分派予該集團款項(扣除 該集團之供款)	(16.8)	(10.1)	(5.7)	10.7
(償還)借予關連公司 款項淨額	(28.7)	(7.1)	13.7	(17.4)
(用於)來自融資活動之現金淨額	(45.0)	(16.8)	10.9	(7.1)
現金及現金等額(減少)增加淨額	(1.1)	0.1	0.2	0.4
年初/期初之現金及現金等額	2.7	1.1	1.4	1.8
匯率折算之差額	(0.5)	0.2	0.2	(0.1)
年終/期終之現金及現金等額	<u>1.1</u>	<u>1.4</u>	<u>1.8</u>	<u>2.1</u>

合併現金流量表

	附註	截至十二月三十一日止年度			截至
		2001 百萬美元	2002 百萬美元	2003 百萬美元	六月三十日 止六個月 2004 百萬美元
經營活動					
經營溢利		32.1	31.3	36.3	23.4
調整：					
商譽攤銷		11.0	11.0	12.6	6.7
其他無形資產攤銷		0.7	0.6	0.9	0.9
物業、廠房及設備折舊 及攤銷		21.5	24.3	26.4	13.2
出售物業、廠房及設備 之虧損		0.5	1.3	1.0	—
營運資金變動前之					
經營現金流量		65.8	68.5	77.2	44.2
存貨減少(增加)		16.6	(21.1)	24.1	(7.9)
銷售賬款及其他應收賬 減少(增加)		11.8	4.9	9.6	(10.6)
採購賬款及其他應付賬 (減少)增加		(12.1)	9.2	(12.3)	7.6
經營所得現金		82.1	61.5	98.6	33.3
已付所得稅		(11.5)	(17.8)	(15.4)	(11.0)
已付利息		(8.2)	(6.2)	(7.7)	(4.0)
來自經營活動之現金淨額		62.4	37.5	75.5	18.3
投資活動					
已收利息		0.9	1.2	1.1	0.4
出售物業、廠房及設備 所得款項		0.9	0.6	1.0	1.2
購買物業、廠房及設備		(19.6)	(20.2)	(21.4)	(8.5)
添置其他無形資產		(0.6)	(2.7)	(4.6)	(2.1)
收購附屬公司(扣除 所購入現金及 現金等額)	25	—	—	(61.6)	(1.8)
其他資產(增加)減少		(0.1)	0.5	(0.7)	—
用於投資活動之現金淨額		(18.5)	(20.6)	(86.2)	(10.8)

合併股東權益變動表

	換算儲備 百萬美元	保留溢利 百萬美元	總額 百萬美元
於二零零一年一月一日	—	512.4	512.4
未於合併收入報表內確認 換算海外業務之財務報告 所引起之匯兌差額	(2.1)	—	(2.1)
本年度溢利	—	11.8	11.8
分派予該集團款項(扣除該集團之供款)	—	(16.8)	(16.8)
於二零零一年十二月三十一日	(2.1)	507.4	505.3
未於合併收入報表內確認 換算海外業務之財務報告 所引起之匯兌差額	5.9	—	5.9
本年度溢利	—	11.7	11.7
分派予該集團款項(扣除該集團之供款)	—	(10.1)	(10.1)
於二零零二年十二月三十一日	3.8	509.0	512.8
未於合併收入報表內確認 換算海外業務之財務報告 所引起之匯兌差額	14.7	—	14.7
本年度溢利	—	13.0	13.0
分派予該集團款項(扣除該集團之供款)	—	(5.7)	(5.7)
於二零零三年十二月三十一日	18.5	516.3	534.8
會計原則之變動(附註2)	—	(0.8)	(0.8)
未於合併收入報表內確認 換算海外業務之財務報告 所引起之匯兌差額	(3.5)	—	(3.5)
本期間溢利	—	10.6	10.6
分派予該集團款項(扣除該集團之供款)	—	10.7	10.7
於二零零四年六月三十日	15.0	536.8	551.8

合併資產負債表

	附註	於十二月三十一日			於
		2001 百萬美元	2002 百萬美元	2003 百萬美元	六月三十日 2004 百萬美元
非流動資產					
物業、廠房及設備	11	128.4	128.9	139.4	147.7
商譽	12	369.4	358.4	392.0	385.9
其他無形資產	13	4.3	7.2	13.6	14.6
遞延稅項資產	23	19.1	19.8	18.2	19.0
其他資產		4.1	3.5	4.1	4.0
		<u>525.3</u>	<u>517.8</u>	<u>567.3</u>	<u>571.2</u>
流動資產					
存貨	14	100.1	126.9	118.7	125.0
銷售賬款及其他應收賬	15	109.3	116.0	122.2	128.7
應收關連方款項	29	36.1	42.9	67.4	71.9
可退回稅款		0.2	—	—	0.1
銀行結餘及現金		1.1	1.4	1.8	2.1
		<u>246.8</u>	<u>287.2</u>	<u>310.1</u>	<u>327.8</u>
資產總值		<u><u>772.1</u></u>	<u><u>805.0</u></u>	<u><u>877.4</u></u>	<u><u>899.0</u></u>
股東權益		<u>505.3</u>	<u>512.8</u>	<u>534.8</u>	<u>551.8</u>
流動負債					
採購賬款及其他應付賬	17	77.9	91.2	86.8	93.0
退休福利責任	24	60.3	70.2	83.2	81.7
應付關連方款項	29	81.7	81.2	117.4	105.5
應繳稅項		0.1	—	—	0.6
融資租約之承擔 — 於一年內到期	19	—	—	0.1	—
其他貸款	20	2.2	1.4	1.4	1.0
撥備	22	9.3	10.5	12.6	13.4
		<u>231.5</u>	<u>254.5</u>	<u>301.5</u>	<u>295.2</u>
非流動負債					
融資租約之承擔 — 於一年後到期	19	1.1	1.5	2.9	18.8
其他應付賬	21	4.3	4.7	4.5	4.4
撥備	22	1.3	5.7	5.0	1.6
遞延稅項負債	23	28.6	25.8	28.7	27.2
		<u>35.3</u>	<u>37.7</u>	<u>41.1</u>	<u>52.0</u>
股東權益及負債總額		<u><u>772.1</u></u>	<u><u>805.0</u></u>	<u><u>877.4</u></u>	<u><u>899.0</u></u>

吾等認為，根據下文A節附註1所載之編列基準，就本報告而言，財務資料連同有關附註真確而公允地反映該集團於有關期間之合併業績及現金流量，以及該集團於二零零一年十二月三十一日、二零零二年十二月三十一日、二零零三年十二月三十一日及二零零四年六月三十日之財政狀況。

A. 財務資料

合併收入報表

	附註	截至十二月三十一日止年度			截至
		2001 百萬美元	2002 百萬美元	2003 百萬美元	六月三十日 止六個月 2004 百萬美元
營業額		644.7	664.5	692.7	352.0
銷售成本		(475.3)	(487.5)	(503.7)	(245.2)
毛利總額		169.4	177.0	189.0	106.8
其他經營收入		0.7	0.2	2.1	0.4
銷售、分銷、宣傳及 保用費用		(70.2)	(77.8)	(80.7)	(44.2)
行政費用		(34.1)	(33.6)	(40.1)	(21.7)
研究及開發費用	4	(21.5)	(21.0)	(20.2)	(11.1)
其他經營費用		(12.2)	(13.5)	(13.8)	(6.8)
經營溢利	4	32.1	31.3	36.3	23.4
利息收入	5	0.9	1.2	1.1	0.4
財務成本	6	(8.2)	(6.2)	(7.7)	(4.0)
除稅前溢利		24.8	26.3	29.7	19.8
稅項	7	(13.0)	(14.6)	(16.7)	(9.2)
本年度／期間溢利		<u>11.8</u>	<u>11.7</u>	<u>13.0</u>	<u>10.6</u>
股息	8	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>



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敬啟者：

吾等以下提呈對創科實業有限公司(「貴公司」)於二零零四年十一月二十三日就收購Atlas Copco AB旗下合組成Milwaukee®、AEG®及DreBo®電動工具及配件業務之公司而刊發之通函(「該通函」)內所載，關於Atlas Copco AB現時以「Milwaukee®」、「AEG®」及「DreBo®」等品牌經營之電動工具及配件業務(下文統稱「該集團」)於截至二零零一年、二零零二年及二零零三年十二月三十一日止三個年度及截至二零零四年六月三十日止六個月(「有關期間」)之財務資料(「財務資料」)所作之報告。

該集團於有關期間按照國際會計準則委員會頒佈之國際財務報告準則(「基本國際財務報告準則」)而編製之合併財務報表乃經KPMG Bohlins AB審核。

就本報告而言，吾等曾審閱該集團於有關期間採用之基本國際財務報告準則。吾等之審閱乃按照香港會計師公會建議之核數指引「售股章程及申報會計師」進行。

Atlas Copco AB之董事須對其批准採用之基本國際財務報告準則負責。貴公司之董事須對轉載本報告之該通函內容負責。吾等之責任是根據基本國際財務報告準則編製本報告所載之財務資料、對財務資料作出獨立意見及向閣下提交報告。

發行債券即時籌集所得資金可作一般企業及營運資金用途，包括為可能進行之收購提供資金，而債券倘獲轉換為股份，將會擴大股東資金基礎，從而促進本公司之業務發展及擴充。

債券發行已於二零零四年七月八日圓滿完成。

13. 美元等同金額

所示美元款額僅供參考，以7.8港元兌1.0美元之固定匯率計算。

於二零零四年五月二十八日，本公司之股東通過普通決議案批准將本公司之法定股本增加（「增加股本」）至240,000,000港元，並將法定股本中每股面值0.20港元之已發行及未發行股份拆細（「股份拆細」）為每股面值0.10港元之普通股兩股。增加股本及股份拆細已分別於二零零四年五月二十八日及三十一日生效。

於期內發行之股份在各方面與既有之股份享有同等權益。

10. 資本承擔

	2004年 6月30日 千港元	2003年 12月31日 千港元
已訂約但於財務報表中未撥備有關 購買物業、廠房及設備之資本開支	<u>108,716</u>	<u>85,598</u>
已批准但於財務報表中未訂約有關 購買物業、廠房及設備之資本開支	<u>12,518</u>	<u>3,398</u>

11. 或然負債

	2004年 6月30日 千港元	2003年 12月31日 千港元
就聯營公司動用之信貸融資而向銀行提供之擔保 有追索權之貼現票據	<u>25,288</u> <u>269,892</u>	<u>16,904</u> <u>180,133</u>
	<u>295,180</u>	<u>197,037</u>

12. 結算日以後事項

於二零零四年六月十六日，本集團宣佈按面值發行五年期零息可換股債券。債券總本金額為140,000,000美元（約1,092,000,000港元）。債券將於二零零九年到期並可轉換為本公司之普通股。初步轉換價為每股16.56港元，較二零零四年六月十六日股份在香港聯合交易所之收市價溢價38%。假定債券按初步轉換價每股16.56港元獲全數換股，債券將會轉換為約65,922,584股股份，相當於公佈日期本公司已發行股本約4.93%，以及相當於經發行轉換股份擴大後本公司已發行股本約4.71%。除非提前被贖回、轉換或購回及註銷，本公司將於二零零九年七月八日到期日按本金額之107.76%贖回每份債券。然而，於二零零七年七月八日或之後及到期日之前，每份債券持有人將有權選擇要求本公司按本金額之104.59%贖回全部或僅贖回部份債券。

8. 採購賬款、應付票據及其他應付賬

採購賬款之賬齡分析如下：

	2004年 6月30日 千港元	2003年 12月31日 千港元
零至六十日	932,301	1,042,276
六十一日至一百二十日	98,719	202,605
一百二十一日或以上	9,770	7,263
採購賬款總額	1,040,790	1,252,144
應付票據	1,606,915	2,809,963
其他應付賬	779,620	832,054
	<u>3,427,325</u>	<u>4,894,161</u>

9. 股本

	股數		股本	
	2004年 6月30日	2003年 12月31日	2004年 6月30日 千港元	2003年 12月31日 千港元
普通股				
法定股本：				
於一月一日每股面值0.20港元 之股份	800,000,000	800,000,000	160,000	160,000
增加每股面值0.20港元 之法定股本	400,000,000	—	80,000	—
每股面值0.20港元之股份 各拆細為每股面值0.10港元 之股份兩股	1,200,000,000	—	—	—
每股面值0.10港元 (二零零三年：每股 面值0.20港元)之股份	<u>2,400,000,000</u>	<u>800,000,000</u>	<u>240,000</u>	<u>160,000</u>
已發行及繳足股本：				
於一月一日每股面值0.20港元 之股份	662,486,826	645,716,826	132,497	129,143
按行使優先認股權發行股份 每股面值0.20港元之股份 各拆細為每股面值0.10港元 之股份兩股	8,657,000	16,770,000	1,166	3,354
	665,481,826	—	—	—
每股面值0.10港元 (二零零三年：每股 面值0.20港元)之股份	<u>1,336,625,652</u>	<u>662,486,826</u>	<u>133,663</u>	<u>132,497</u>

6. 每股盈利

基本及攤薄後之每股盈利乃根據以下數據計算：

	截至六月三十日止六個月	
	2004 千港元	2003 千港元
用作計算基本及攤薄後每股盈利之盈利：		
本期間溢利	<u>298,858</u>	<u>210,823</u>
用作計算基本每股盈利之普通股加權平均數	1,328,955,297	1,295,481,764
普通股可能產生之攤薄影響：		
優先購股權	<u>43,371,852</u>	<u>29,424,128</u>
用作計算攤薄後每股盈利之普通股加權平均數	<u>1,372,327,149</u>	<u>1,324,905,892</u>

每股盈利及普通股加權平均數之比較數額已就本期間本公司股份拆細之影響作出調整。

7. 銷售賬款及其他應收賬

本集團給予客戶之掛賬期介乎六十日至一百二十日。銷售賬款之賬齡分析如下：

	2004年	2003年
	6月30日 千港元	12月31日 千港元
零至六十日	1,231,410	1,711,577
六十一日至一百二十日	200,085	346,828
一百二十一日或以上	<u>26,142</u>	<u>26,918</u>
銷售賬款總額	1,457,637	2,085,323
其他應收賬	<u>121,462</u>	<u>112,466</u>
	<u>1,579,099</u>	<u>2,197,789</u>

3. 經營溢利

	截至六月三十日止六個月	
	2004	2003
	千港元	千港元
經營溢利已扣除(計入)下列各項：		
物業、廠房及設備折舊及攤銷	160,746	137,085
無形資產攤銷	4,597	2,531
商譽攤銷	17,180	7,596
負商譽撥回收入	(2,152)	(2,152)
員工成本	646,596	492,411
	<u>646,596</u>	<u>492,411</u>

4. 稅項

	截至六月三十日止六個月	
	2004	2003
	千港元	千港元
稅項支出總額包括：		
按本期間之估計應課稅溢利以17.5%稅率計算		
之香港利得稅	33,531	23,009
海外稅項	14,501	7,266
遞延稅項	(5,355)	162
	<u>42,677</u>	<u>30,437</u>

其他司法權區之稅項按有關地區之適用稅率計算。

遞延稅項按預計於償還負債或變賣資產期間之適用稅率撥備。

5. 股息

每股現有股份宣派之二零零三年度末期股息17.75港仙及派發之二零零三年度中期股息7.25港仙，已分別調整為每股拆細股份8.875港仙及3.625港仙。

財務報表附註(未經審核)

1. 編製賬目基準

本集團之未經審核中期業績乃按照香港會計師公會頒佈之會計實務準則第25號「中期財務報告」，並根據與截至二零零三年十二月三十一日止年度之報告及財務報表中所採納之會計政策保持一致之基準而編製。

若干比較數字已重新歸類以符合本期間之列賬形式。

2. 業務及市場分析資料

	截至六月三十日止六個月			
	營業額		分類業績	
	2004	2003	2004	2003
	千港元	千港元	千港元	千港元
以主要業務劃分：				
製造及經銷：				
電動工具產品	4,711,892	3,467,171	294,282	198,682
地板護理產品	1,717,292	1,121,715	80,457	58,135
太陽能照明、激光儀 及電子量度儀	294,931	225,763	59,379	41,698
	<u>6,724,115</u>	<u>4,814,649</u>	434,118	298,515
商譽攤銷			(17,180)	(7,596)
負商譽撥回收入			2,152	2,152
對經營溢利之貢獻			<u>419,090</u>	<u>293,071</u>
以地域市場劃分：				
北美洲	5,259,245	3,784,207	366,423	236,667
歐洲	1,084,364	766,976	66,244	45,095
其他國家	380,506	263,466	1,451	16,753
	<u>6,724,115</u>	<u>4,814,649</u>	434,118	298,515
商譽攤銷			(17,180)	(7,596)
負商譽撥回收入			2,152	2,152
對經營溢利之貢獻			<u>419,090</u>	<u>293,071</u>

簡明綜合權益變動表(未經審核)

截至二零零四年六月三十日止六個月

	股本 千港元	股份溢價 千港元	換算儲備 千港元	保留溢利 千港元	總額 千港元
於二零零三年一月一日	129,143	613,499	(16,769)	1,102,064	1,827,937
未於收入報表內確認換算 海外業務之財務報告 所引起之匯兌差額	—	—	37,423	—	37,423
按溢價發行股份	1,633	26,417	—	—	28,050
本期間溢利	—	—	—	210,823	210,823
末期股息 — 二零零二年	—	—	—	(65,388)	(65,388)
於二零零三年六月三十日	<u>130,776</u>	<u>639,916</u>	<u>20,654</u>	<u>1,247,499</u>	<u>2,038,845</u>
於二零零四年一月一日	132,497	672,083	45,519	1,662,785	2,512,884
未於收入報表內確認換算 海外業務之財務報告 所引起之匯兌差額	—	—	(4,237)	—	(4,237)
按溢價發行股份	1,166	57,603	—	—	58,769
本期間溢利	—	—	—	298,858	298,858
末期股息 — 二零零三年	—	—	—	(118,444)	(118,444)
於二零零四年六月三十日	<u>133,663</u>	<u>729,686</u>	<u>41,282</u>	<u>1,843,199</u>	<u>2,747,830</u>

簡明綜合現金流動表(未經審核)
截至二零零四年六月三十日止六個月

	2004年 6月30日 千港元	2003年 6月30日 千港元	2004年 6月30日 千美元 (附註13)	2003年 6月30日 千美元 (附註13)
用於經營活動之現金淨額	(490,549)	(542,771)	(62,891)	(69,586)
用於投資活動之現金淨額	(267,791)	(897,056)	(34,332)	(115,007)
來自融資活動之現金淨額	151,482	786,548	19,421	100,839
現金及現金等額減少淨額	(606,858)	(653,279)	(77,802)	(83,754)
於一月一日之現金及現金等額	2,444,098	1,753,900	313,346	224,859
匯率折算之差額	(5,789)	46,370	(743)	5,945
於六月三十日之現金及現金等額	<u>1,831,451</u>	<u>1,146,991</u>	<u>234,801</u>	<u>147,050</u>
現金及現金等額結餘之分析 可分為：				
銀行結餘、存款及現金	1,970,998	1,288,907	252,692	165,244
銀行透支	(139,547)	(141,916)	(17,891)	(18,194)
	<u>1,831,451</u>	<u>1,146,991</u>	<u>234,801</u>	<u>147,050</u>

簡明綜合資產負債表(續)

於二零零四年六月三十日

		2004年 6月30日	2003年 12月31日	2004年 6月30日	2003年 12月31日
	附註	千港元 (未經審核)	千港元 (經審核)	千美元 (附註13)	千美元 (附註13)
資產總值減流動負債		4,268,977	3,968,751	547,305	508,814
股本與儲備					
股本	9	133,663	132,497	17,136	16,987
儲備		2,614,167	2,380,387	335,150	305,178
		2,747,830	2,512,884	352,286	322,165
少數股東權益		64,601	46,374	8,282	5,945
非流動負債					
融資租約承擔 — 於一年後到期		3,148	14,261	404	1,828
借款 — 於一年後到期		1,405,489	1,348,497	180,191	172,884
遞延稅項負債		47,909	46,735	6,142	5,992
		1,456,546	1,409,493	186,737	180,704
		4,268,977	3,968,751	547,305	508,814

簡明綜合資產負債表

於二零零四年六月三十日

		2004年 6月30日 千港元 (未經審核)	2003年 12月31日 千港元 (經審核)	2004年 6月30日 千美元 (附註13)	2003年 12月31日 千美元 (附註13)
資產					
非流動資產					
物業、廠房及設備		863,915	904,356	110,758	115,943
商譽		635,580	652,760	81,485	83,687
負商譽		(31,023)	(33,175)	(3,977)	(4,253)
無形資產		178,669	25,154	22,906	3,225
於聯營公司應佔資產額		132,124	118,394	16,939	15,179
證券投資		38,608	41,419	4,950	5,310
遞延稅項資產		300,706	273,937	38,552	35,120
其他資產		1,195	1,195	153	153
		<u>2,119,774</u>	<u>1,984,040</u>	<u>271,766</u>	<u>254,364</u>
流動資產					
存貨		2,539,274	2,491,650	325,548	319,442
銷售賬款及其他應收賬	7	1,579,099	2,197,789	202,449	281,768
訂金及預付款項		328,424	293,408	42,106	37,616
應收票據		122,984	36,409	15,767	4,668
證券投資		5,635	5,575	722	715
可退回稅款		1,123	51,274	144	6,574
聯營公司銷售賬款		40	48	5	6
銀行結餘、存款及現金		1,970,998	2,586,075	252,692	331,548
		<u>6,547,577</u>	<u>7,662,228</u>	<u>839,433</u>	<u>982,337</u>
流動負債					
採購賬款、應付票據及 其他應付賬	8	3,427,325	4,894,161	439,401	627,457
保用撥備		183,122	208,552	23,477	26,737
聯營公司採購賬款		9,319	3,230	1,195	414
應繳稅項		108,165	68,114	13,867	8,733
應派股息		118,444	—	15,185	—
融資租約承擔 — 於一年內到期		2,988	5,485	383	703
借款 — 於一年內到期		549,011	497,975	70,386	63,843
		<u>4,398,374</u>	<u>5,677,517</u>	<u>563,894</u>	<u>727,887</u>
流動資產淨值		<u>2,149,203</u>	<u>1,984,711</u>	<u>275,539</u>	<u>254,450</u>

簡明綜合收入報表(未經審核)

截至二零零四年六月三十日止六個月

	附註	2004 千港元	2003 千港元	2004 千美元 (附註13)	2003 千美元 (附註13)
營業額	2	6,724,115	4,814,649	862,066	617,263
銷售成本		(4,720,044)	(3,519,725)	(605,134)	(451,247)
毛利總額		2,004,071	1,294,924	256,932	166,016
其他經營收入		14,074	33,377	1,804	4,279
利息收入		22,155	5,361	2,840	687
銷售、分銷、宣傳及保用費用		(693,737)	(474,426)	(88,941)	(60,824)
行政費用		(762,714)	(496,323)	(97,785)	(63,631)
研究及開發費用		(164,759)	(69,842)	(21,123)	(8,954)
經營溢利	3	419,090	293,071	53,727	37,573
財務成本		(58,702)	(38,990)	(7,526)	(4,999)
未計應佔聯營公司業績 及稅項前溢利		360,388	254,081	46,201	32,574
應佔聯營公司業績		(626)	187	(80)	24
除稅前溢利		359,762	254,268	46,121	32,598
稅項	4	(42,677)	(30,437)	(5,471)	(3,902)
未計少數股東權益前溢利		317,085	223,831	40,650	28,696
少數股東權益		(18,227)	(13,008)	(2,337)	(1,668)
本期間溢利		<u>298,858</u>	<u>210,823</u>	<u>38,313</u>	<u>27,028</u>
股息	5	<u>(118,444)</u>	<u>(65,388)</u>	<u>(15,185)</u>	<u>(8,383)</u>
每股盈利	6				
基本(港仙/美仙)		<u>22.49</u>	<u>16.28</u>	<u>2.88</u>	<u>2.09</u>
攤薄後(港仙/美仙)		<u>21.78</u>	<u>15.91</u>	<u>2.79</u>	<u>2.04</u>

40. 聯營公司詳情

於二零零三年十二月三十一日聯營公司之詳情如下：

聯營公司名稱	註冊成立/ 營業地點	已發行及 繳足股本	本公司所持有 已發行股本 面值之比率		主要業務
			直接 %	間接 %	
Gimelli International (Holdings) Limited	開曼群島	6,250美元	40.8	—	投資控股
Gimelli Laboratories Company Limited	香港	5,000,000港元	—	100	製造及經銷電器 及牙齒護理產品
Gimelli Produktions A.G.	瑞士	105,000瑞士法郎	—	100	市場推廣、研究 及開發
Precision Technology Industries Limited	百慕達	9,000,000美元	25	—	製造電動工具 產品

附屬公司名稱	註冊成立/ 營業地點	已發行及 繳足股本	本公司所持有 已發行股本 面值之比率		主要業務
			直接 %	間接 %	
Ryobi Technologies (UK) Limited	英國	4,000,000英鎊	100	—	經銷電動工具 產品
Royal Appliance Mfg. Co.	美國	1美元	—	100	經銷及製造 地板護理產品
Royal Appliance International GmbH	德國	1,278,230歐羅	51	—	經銷家庭電子及 電器產品
Santo Industries Limited	香港	2,000,000港元	100	—	經銷家庭電子及 電器產品
創德實業有限公司	香港	1,000,000港元	100	—	製造塑膠零件
朗廣實業有限公司	香港	2,000,000港元	75.725	—	製造電子產品
Solar Wide (Overseas) Limited	英屬處女群島/ 中國	1美元	—	100	製造電子產品
Techtronic Appliances Holdings Company Limited	百慕達	12,000美元	100	—	投資控股
創科電業製品(香港)有限公司	香港	2港元	—	100	經銷及製造 地板護理產品
Vax Limited	英國	33,000英鎊	100	—	裝配、採購及 分銷地板護理 產品
Vax Appliances (Australia) Pty. Ltd.	澳洲	1,200,008澳元	100	—	裝配及分銷 地板護理產品

依董事會之意見，上表列舉者主要為影響本集團業績或資產之附屬公司。董事會認為列出其他附屬公司之詳情會令篇幅過於冗長。

於本年度結算日或年內任何時間，附屬公司概無任何發行在外之債務證券。

附屬公司名稱	註冊成立/ 營業地點	已發行及 繳足股本	本公司所持有 已發行股本 面值之比率		主要業務
			直接 %	間接 %	
MacEwen Property Co. Inc.	美國	100美元	100	—	持有物業
Marco Polo Industries & Merchandising Company Limited	香港	100,000港元	100	—	經銷家庭電子及 電器產品
One World Technologies Inc.	美國	10美元	—	100	投資控股
One World Technologies Limited	百慕達	12,000美元	100	—	投資控股
OWT France SAS	法國	1,750,000歐羅	—	100	投資控股
OWT Holding, Inc.	美國	10美元	2.8	97.2	投資控股
OWT Industries, Inc.	美國	10美元	—	100	製造電器部件 及電動工具產品
OWT Taiwan Limited	台灣	5,000,000新台幣	100	—	提供檢查服務
Premier Appliance Group Limited	香港	2港元	100	—	製造部件
RAMC Holdings Limited	百慕達	12,000美元	100	—	投資控股
Ryobi Technologies Australia Pty Limited	澳洲	5,500,000澳元	100	—	經銷電動工具 產品
Ryobi Technologies Canada Inc.	加拿大	600,000加元	—	100	經銷電動工具 產品
Ryobi Technologies France S.A.	法國	17,836,535歐羅	—	100	經銷電動工具 產品
Ryobi Technologies GmbH	德國	500,000歐羅	100	—	經銷電動工具 產品
Ryobi Technologies, Inc.	美國	10美元	—	100	經銷電動工具 產品
Ryobi Technologies (New Zealand) Limited	紐西蘭	1,165,500紐元	100	—	經銷電動工具 產品

38. 有關連方交易

本年度內，本集團與聯營公司進行下列交易：

	2003 千港元	2002 千港元
採購	—	37,761
行政管理費收入	300	2,100
行政管理費支出	852	852
已收利息收入	1,920	2,166
銷售收入	602	28,795
薪金支出	—	354
設備使用費收入	1,152	284

以上交易按市場價格／利率進行；或倘未有市場價格／利率可供參照時，則按成本加上利潤比率進行。

39. 主要附屬公司詳情

於二零零三年十二月三十一日，本公司之主要附屬公司詳情如下：

附屬公司名稱	註冊成立／ 營業地點	已發行及 繳足股本	本公司所持有 已發行股本 面值之比率		主要業務
			直接 %	間接 %	
Digiwireless Limited	香港	2港元	100	—	投資控股
Envotech Technology Company Limited	香港	2港元	100	—	投資控股
滿添國際有限公司	香港	2港元	100	—	投資控股
Homelite Asia Ltd.	英屬處女群島／ 中國	1美元	100	—	經銷戶外園藝 電動工具產品
Homelite Consumer Products Holdings, Inc.	美國	10美元	—	100	投資控股
Homelite Consumer Products, Inc.	美國	10美元	—	100	經銷戶外園藝 電動工具產品
鴻亮遠東有限公司	香港	2港元	100	—	經銷戶外園藝 電動工具產品
Homelite Technologies Ltd.	百慕達	12,000美元	100	—	投資控股

36. 退休金計劃

自二零零零年十二月起，本公司及其在香港之營運附屬公司已參加根據強制性公積金計劃條例註冊之強制性公積金計劃（「強積金計劃」）。

本集團之海外附屬公司設立多項界定供款計劃及界定退休金計劃，涵蓋其絕大部份僱員。每年對界定供款計劃之供款乃按僱員薪酬之某個百分比計算。

界定退休金計劃之退休金成本乃按照Aon Consulting（一家僱員福利顧問集團）採用預計單位記賬法於二零零四年一月一日進行之精算估值而釐訂。由於假定所有退休人士收取定額美元補貼，而計算精算估值時假定之貼現率為6.25%（二零零二年：6.75%），故毋須作出截至二零零三年十二月三十一日之醫療趨向比率假定（二零零二年：10%）。

上述退休金計劃並無獲撥入任何資產，而該計劃乃以到期即付方式供款。該海外附屬公司一位前股東根據一項承擔責任、償付及賠償保證之轉讓協議，將償付該計劃下之累計退休金成本。就此，該海外附屬公司就截至二零零三年十二月三十一日訂定應收之同等金額累計退休金成本約為27,000,000港元（二零零二年：28,000,000港元）。

37. 資本承擔

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
就下列各項已訂約但 未在財務報表中作出 撥備之資本開支：				
購買物業、廠房及設備	85,598	27,633	54,206	10,919
收購聯營公司	—	29,250	—	29,250
	<u>85,598</u>	<u>56,883</u>	<u>54,206</u>	<u>40,169</u>
已批准但未訂約在財務報表中 撥作購買物業、廠房及設備 之資本開支	<u>3,398</u>	<u>10,737</u>	<u>—</u>	<u>—</u>

行使日期	行使價 港元	所得款項 千港元	數目
11.9.2003	6.4000	1,280	200,000
22.9.2003	6.4000	640	100,000
29.9.2003	6.9800	84	12,000
2.10.2003	6.4000	320	50,000
3.10.2003	6.4000	64	10,000
7.10.2003	6.9800	91	13,000
14.10.2003	6.9800	35	5,000
17.10.2003	6.4000	960	150,000
20.10.2003	5.9000	5,900	1,000,000
20.10.2003	6.4000	1,920	300,000
20.10.2003	6.7000	1,340	200,000
27.10.2003	6.9800	70	10,000
11.11.2003	6.9800	70	10,000
24.11.2003	6.4000	480	75,000
11.12.2003	6.4000	640	100,000
31.12.2003	6.4000	288	45,000
		<u>61,938</u>	<u>16,770,000</u>

截至二零零二年十二月三十一日止年度內已行使之優先認股權詳情：

行使日期	行使價 港元	所得款項 千港元	數目
4.1.2002	1.0144	507	500,000
4.1.2002	1.2800	640	500,000
4.1.2002	1.0000	1,200	1,200,000
26.2.2002	2.1160	12,696	6,000,000
29.4.2002	1.7440	174	100,000
29.4.2002	1.0800	108	100,000
3.5.2002	1.7440	174	100,000
13.5.2002	1.4768	148	100,000
13.5.2002	1.7440	174	100,000
6.6.2002	2.0920	1,046	500,000
22.6.2002	2.2600	1,130	500,000
25.6.2002	1.0800	108	100,000
19.7.2002	1.0800	108	100,000
26.8.2002	2.1960	275	125,000
29.8.2002	2.1960	275	125,000
2.9.2002	2.1160	529	250,000
23.9.2002	2.1160	529	250,000
10.10.2002	1.7440	174	100,000
24.10.2002	2.4750	248	100,000
11.11.2002	1.0800	108	100,000
29.11.2002	2.1160	317	150,000
3.12.2002	2.1160	212	100,000
		<u>20,880</u>	<u>11,200,000</u>

緊接各個優先認股權之行使日期前，本公司股份之加權平均收市價介乎9.20港元至22.44港元(二零零二年：介乎5.67港元至6.98港元)。

截至二零零三年十二月三十一日止年度內已行使之優先認股權詳情：

行使日期	行使價 港元	所得款項 千港元	數目
24.4.2003	2.0920	2,092	1,000,000
24.4.2003	2.1480	2,578	1,200,000
30.4.2003	6.4000	4,352	680,000
2.5.2003	2.0920	1,046	500,000
5.5.2003	6.4000	1,216	190,000
7.5.2003	6.4000	320	50,000
9.5.2003	6.4000	320	50,000
12.5.2003	6.4000	160	25,000
14.5.2003	6.4000	960	150,000
19.5.2003	6.4000	640	100,000
20.5.2003	6.4000	960	150,000
21.5.2003	2.1160	423	200,000
22.5.2003	2.1160	106	50,000
23.5.2003	2.1960	549	250,000
28.5.2003	6.4000	1,088	170,000
29.5.2003	1.0000	100	100,000
29.5.2003	2.2600	565	250,000
29.5.2003	6.4000	2,240	350,000
2.6.2003	6.4000	1,280	200,000
2.6.2003	6.9800	349	50,000
3.6.2003	6.9800	174	25,000
5.6.2003	2.1480	2,148	1,000,000
5.6.2003	2.2600	2,260	1,000,000
6.6.2003	6.4000	320	50,000
9.6.2003	6.9800	523	75,000
12.6.2003	6.4000	640	100,000
12.6.2003	6.9800	174	25,000
23.6.2003	6.4000	1,120	175,000
2.7.2003	6.4000	640	100,000
4.7.2003	6.4000	320	50,000
7.7.2003	6.7000	1,340	200,000
7.7.2003	6.9800	174	25,000
9.7.2003	6.4000	1,280	200,000
10.7.2003	6.4000	512	80,000
11.7.2003	2.1160	212	100,000
14.7.2003	6.4000	640	100,000
16.7.2003	6.4000	640	100,000
28.7.2003	6.4000	320	50,000
8.8.2003	6.4000	320	50,000
11.8.2003	2.1160	212	100,000
12.8.2003	6.4000	128	20,000
19.8.2003	2.0920	1,674	800,000
19.8.2003	2.2600	1,808	800,000
19.8.2003	6.4000	640	100,000
21.8.2003	2.2600	565	250,000
21.8.2003	6.4000	320	50,000
25.8.2003	2.1160	2,116	1,000,000
28.8.2003	2.1160	2,116	1,000,000
9.9.2003	2.1160	2,116	1,000,000
10.9.2003	6.4000	960	150,000

以下為於本年度內僱員(包括董事)持有之優先認股權及其變動詳情：

優先認股權類別	於	年內授出 數目	年內已 行使數目	年內已 屆滿數目	於
	二零零三年 一月一日 尚未行使 數目				二零零三年 十二月 三十一日 尚未行使 數目
A 計劃	400,000	—	100,000	300,000	—
B 計劃	13,750,000	—	10,500,000	500,000	2,750,000
C 計劃	31,921,000	13,439,000	6,170,000	361,000	38,829,000
	<u>46,071,000</u>	<u>13,439,000</u>	<u>16,770,000</u>	<u>1,161,000</u>	<u>41,579,000</u>

優先認股權類別	於	年內授出 數目	年內已 行使數目	年內已 屆滿數目	於
	二零零二年 一月一日 尚未行使 數目				二零零二年 十二月 三十一日 尚未行使 數目
A 計劃	3,500,000	—	3,100,000	—	400,000
B 計劃	21,850,000	—	8,100,000	—	13,750,000
C 計劃	—	31,921,000	—	—	31,921,000
	<u>25,350,000</u>	<u>31,921,000</u>	<u>11,200,000</u>	<u>—</u>	<u>46,071,000</u>

上文所載董事持有之優先認股權詳情如下：

	於一月一日 尚未行使 數目	年內 授出數目	年內已 行使數目	年內已 屆滿數目	於十二月 三十一日 尚未行使 數目
二零零三年	<u>31,296,000</u>	<u>2,060,000</u>	<u>8,800,000</u>	<u>—</u>	<u>24,556,000</u>
二零零二年	<u>12,450,000</u>	<u>22,046,000</u>	<u>3,200,000</u>	<u>—</u>	<u>31,296,000</u>

於二零零一年五月二十五日採納之計劃（「B計劃」）

繼A計劃於二零零零年十一月屆滿後，本公司於二零零一年五月二十五日通過決議案採納一項新訂優先認股計劃，其目的乃為向董事及合資格人士提供鼓勵或嘉獎。根據B計劃，本公司董事會可賦予合資格人士（包括本公司及其附屬公司之全職行政人員、執行董事及全職僱員）可認購本公司股份之優先認股權。

優先認股權須於授出日期起計二十一日內接納，並須就獲授之優先認股權支付現金1港元作為代價。優先認股權可於接納日期起計直至屆滿五年之該日止期間任何時間行使。所釐訂之認購價不得低於股份面值與緊接授出優先認股權日期之前五個交易日股份在聯交所收市價平均值之80%（以兩者中之較高者為準）。

根據B計劃所授出之優先認股權可認購之股份數目最高不得超過本公司不時已發行股本之10%。倘若某僱員獲賦予之優先認股權如獲全數行使時，將導致該僱員可認購之股份數目超過根據B計劃當時已發行及可發行股份總數之25%，則不得賦予該僱員優先認股權。

B計劃已於二零零二年三月二十八日通過決議案予以終止。

於二零零二年三月二十八日採納之計劃（「C計劃」）

繼B計劃被終止後，本公司於二零零二年三月二十八日通過決議案採納另一項新訂優先認股計劃，以肯定合資格人士對本集團之業務發展及增長所作之貢獻。該計劃將於二零零七年三月二十七日屆滿。根據C計劃，本公司董事會可賦予下列本公司、其附屬公司及本集團持有股權之任何公司之合資格人士（及彼等之全資附屬公司）可認購本公司股份之優先認股權：

- (i) 僱員；或
- (ii) 非執行董事；或
- (iii) 供應商或客戶；或
- (iv) 提供研究、開發或其他技術支援之任何人士或機構；或
- (v) 股東。

優先認股權須於授出日期起計二十一日內接納，並須就獲授之優先認股權支付現金1港元作為代價。優先認股權可於授出日期起計直至屆滿五年之該日止期間任何時間行使。所釐訂之認購價以下列三者中之最高者為準：於授出優先認股權日期股份之收市價；或緊接授出日期之前五個交易日聯交所每日報價表註明股份之平均收市價；或於授出日期股份之面值。

根據C計劃所授出之優先認股權可認購之股份數目最高不得超過本公司不時已發行股本之30%或於C計劃之採納日期已發行股份之10%。直至授出日期止十二個月內，任何人士獲授之優先認股權可認購之股份數目不得超過於授出日期已發行股份之1%。

34. 或然負債

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
就聯營公司動用之信貸融資而向 銀行提供擔保	16,904	27,367	16,904	27,367
有追索權之貼現票據	180,133	188,779	7,161	39,547
	<u>197,037</u>	<u>216,146</u>	<u>24,065</u>	<u>66,914</u>

此外，本公司就給予其附屬公司之一般信貸融資而向銀行及獨立第三者提供擔保。於二零零三年十二月三十一日，附屬公司已動用之信貸融資額為1,430,535,000港元（二零零二年：455,949,000港元）。

35. 優先認股權

於一九九零年十一月二十八日採納並於二零零零年十一月二十七日屆滿之計劃（「A計劃」）

按照本公司於一九九零年十一月二十八日通過決議案採納之優先認股計劃，董事會可以無償代價方式賦予合資格僱員（包括本公司及其附屬公司之全職僱員及執行董事）可認購本公司股份之優先認股權。該計劃之目的乃為向董事及合資格僱員提供鼓勵或嘉獎。

優先認股權須於授出日期起計二十一日內接納。任何授出之優先認股權可於授出日期後屆滿一年之該日起計直至屆滿十年之該日辦公時間完結時止期間行使。

所釐訂之認購價不得低於股份面值與緊接授出優先認股權日期之前五個交易日股份在聯交所收市價平均值之80%（以兩者中之較高者為準）。授出之優先認股權可認購之股份數目最高不得超過本公司不時已發行股本之10%，惟此上限並不包括依據優先認股計劃所發行之股份，並且不得超過任何一個財政年度內已發行股本之1%。倘某僱員根據獲授之優先認股權如獲全數行使時，將導致該僱員可認購之股份數目超過根據A計劃當時已發行及可發行股份總數之25%，則不得賦予該僱員優先認股權。

A計劃已於二零零零年十一月二十七日屆滿。

收購引致之淨現金流出：

	2003 千港元	2002 千港元
本年度支付之現金代價	(851,928)	(38,518)
所購入之銀行結餘及現金	34,790	22,925
所購入之銀行透支	(1,719)	—
	<u>(818,857)</u>	<u>(15,593)</u>
收購附屬公司相關之現金及現金等額流出淨額	<u>(818,857)</u>	<u>(15,593)</u>

本年度內所收購之附屬公司為本集團帶來之營業額約為1,869,483,000港元(二零零二年：1,638,864,000港元)，而其佔本集團之經營溢利約為7,847,000港元(二零零二年：66,872,000港元)。

31. 出售附屬公司

於二零零二年十二月三十一日，本集團之生產廠房由印尼遷往中國時將其附屬公司P.T. Technonic Appliances清盤。有關清盤之出售虧損及出售引致之淨現金流出金額分別約為1,345,000港元及275,000港元。

個別資產於出售日期之賬面值及截至二零零二年十二月三十一日止年度內出售附屬公司引致之淨現金流動整體上對本集團之影響不大。

32. 主要非現金交易

於本年度內，本集團簽訂關於資產之融資租約安排，於簽訂融資租約時之總資本值為3,983,000港元(二零零二年：2,568,000港元)。

33. 租賃承擔

於結算日，本集團及本公司根據不可撤銷之經營租約尚有仍未解除之承擔，該等租約之屆滿期如下：

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
一年內	86,195	42,264	14,620	12,753
兩年後五年內	154,196	75,309	10,947	11,287
五年後	138,348	59,052	17,016	15,836
	<u>378,739</u>	<u>176,625</u>	<u>42,583</u>	<u>39,876</u>

經營租約付款乃指本集團及本公司須支付其若干廠房設備及機器和辦公室物業之租金。該等租約磋商之租期介乎一年至十五年。

編列資產負債表時，若干遞延稅項資產及負債已按照會計實務準則第12號（經修訂）所列條件互相抵銷。以下為編製財務報告時遞延稅項結餘之分析：

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
遞延稅項資產	(273,937)	(168,196)	—	—
遞延稅項負債	46,735	22,437	15,006	13,333
	<u>(227,202)</u>	<u>(145,759)</u>	<u>15,006</u>	<u>13,333</u>

30. 收購附屬公司

	2003 千港元	2002 千港元
收購之資產淨值		
物業、廠房及設備	200,520	214,212
無形資產	13,239	192
遞延稅項資產	23,070	—
存貨	359,191	89,189
銷售賬款及其他應收賬、訂金及預付款項	250,407	80,592
可退回稅款	66,680	4,024
銀行結餘及現金	34,790	22,925
採購賬款及其他應付賬	(376,739)	(201,651)
銀行透支	(1,719)	—
銀行貸款	(195,000)	(108,612)
保用撥備	(67,860)	(1,287)
融資租約之承擔	(15,099)	—
遞延稅項負債	(9,654)	—
	<u>281,826</u>	<u>99,584</u>
收購時產生之商譽	570,102	87,134
	<u>851,928</u>	<u>186,718</u>
代價		
支付形式		
往年度支付訂金	—	148,200
本年度支付現金	851,928	38,518
	<u>851,928</u>	<u>186,718</u>

29. 遞延稅項(資產)負債

以下為本期間及以往期間獲確認入賬之主要遞延稅項資產及負債與其變動：

	加速稅項 折舊 千港元	保用 撥備 千港元	僱員 相關撥備 千港元	稅項 虧損 千港元	其他 千港元	總額 千港元
本集團						
於二零零二年一月一日						
- 以往呈報金額	2,033	(6,289)	(7,588)	—	(7,813)	(19,657)
- 前期調整(附註2)	17,493	—	—	(107,668)	296	(89,879)
	<u>19,526</u>	<u>(6,289)</u>	<u>(7,588)</u>	<u>(107,668)</u>	<u>(7,517)</u>	<u>(109,536)</u>
- 重列金額	—	—	—	(11,136)	—	(11,136)
匯兌調整	—	—	—	(11,136)	—	(11,136)
扣除(計入)本年度之收入	26,837	(14,679)	(3,970)	(3,294)	(29,981)	(25,087)
	<u>46,363</u>	<u>(20,968)</u>	<u>(11,558)</u>	<u>(122,098)</u>	<u>(37,498)</u>	<u>(145,759)</u>
於二零零三年一月一日	46,363	(20,968)	(11,558)	(122,098)	(37,498)	(145,759)
匯兌調整	20	(208)	(512)	(12,590)	(569)	(13,859)
扣除(計入)本年度之收入	(41,285)	(18,721)	(4,996)	5,868	3,143	(55,991)
收購附屬公司	10,088	(21,842)	(9,136)	—	7,474	(13,416)
稅率變動之影響						
- 扣除(計入)收入	2,033	—	—	(242)	32	1,823
	<u>17,219</u>	<u>(61,739)</u>	<u>(26,202)</u>	<u>(129,062)</u>	<u>(27,418)</u>	<u>(227,202)</u>
於二零零三年十二月三十一日	<u>17,219</u>	<u>(61,739)</u>	<u>(26,202)</u>	<u>(129,062)</u>	<u>(27,418)</u>	<u>(227,202)</u>
						加速稅項 折舊 千港元
本公司						
於二零零二年一月一日						
- 以往呈報金額						1,394
- 前期調整(附註2)						9,631
						<u>11,025</u>
- 重列金額						11,025
扣除本年度之收入						2,308
						<u>13,333</u>
於二零零三年一月一日						13,333
扣除本年度之收入						422
稅率變動之影響						
- 扣除收入						1,251
						<u>15,006</u>
於二零零三年十二月三十一日						<u>15,006</u>

27. 股本

	股數		2003 千港元	2002 千港元
	2003	2002		
每股面值0.20港元之普通股				
法定股本	<u>800,000,000</u>	<u>800,000,000</u>	<u>160,000</u>	<u>160,000</u>
已發行及繳足股本：				
於一月一日	645,716,826	574,516,826	129,143	114,903
配售股份	—	60,000,000	—	12,000
按行使優先認股權發行股份	<u>16,770,000</u>	<u>11,200,000</u>	<u>3,354</u>	<u>2,240</u>
於十二月三十一日	<u>662,486,826</u>	<u>645,716,826</u>	<u>132,497</u>	<u>129,143</u>

年內發行之股份在各方面與既有之股份享有同等權益。

28. 儲備

	股份溢價 千港元	保留溢利 千港元	總額 千港元
本公司：			
於二零零二年一月一日			
- 以往呈報金額	242,313	755,032	997,345
- 前期調整(附註2)	—	(9,631)	(9,631)
- 重列金額	242,313	745,401	987,714
因發行股份所得之溢價	371,186	—	371,186
本年度溢利	—	276,586	276,586
末期股息 — 二零零一年	—	(45,060)	(45,060)
中期股息 — 二零零二年	—	(38,695)	(38,695)
於二零零三年一月一日	613,499	938,232	1,551,731
因發行股份所得之溢價	58,584	—	58,584
本年度溢利	—	609,891	609,891
末期股息 — 二零零二年	—	(65,388)	(65,388)
中期股息 — 二零零三年	—	(47,863)	(47,863)
於二零零三年十二月三十一日	<u>672,083</u>	<u>1,434,872</u>	<u>2,106,955</u>

本公司於二零零三年十二月三十一日可分派予股東之儲備中包括保留溢利1,434,872,000港元(二零零二年(重列)：938,232,000港元)。

26. 借款

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
信託收據貸款	168,012	153,315	96,482	86,093
銀行貸款	445,078	1,080,309	320,667	390,000
銀行透支	141,977	101,591	—	—
	<u>755,067</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>
銀行借款	755,067	1,335,215	417,149	476,093
定息票據 (附註a)	1,091,405	—	—	—
	<u>1,846,472</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>
借款總額	<u>1,846,472</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>
分為：				
有抵押 (附註b)	5,899	6,017	—	—
無抵押	1,840,573	1,329,198	417,149	476,093
	<u>1,846,472</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>

本集團及本公司之所有借款之償還期如下：

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
即時或一年內	497,975	781,156	1165,815	320,093
第二年	23,092	214,865	17,334	—
三年後五年內	234,000	333,821	234,000	156,000
五年後	1,131,000	5,373	—	—
	<u>1,886,067</u>	<u>1,335,215</u>	<u>417,149</u>	<u>476,093</u>
減：一年內到期列作流動負債款項	(497,975)	(781,156)	(165,815)	(320,093)
	<u>1,388,092</u>	<u>554,059</u>	<u>251,334</u>	<u>156,000</u>
減：未攤銷之貸款安排費用	(39,595)	—	—	—
	<u>1,348,497</u>	<u>554,059</u>	<u>251,334</u>	<u>156,000</u>
一年後到期款項	<u>1,348,497</u>	<u>554,059</u>	<u>251,334</u>	<u>156,000</u>

附註a：本年度內，本集團透過其美國全資附屬公司發行定息票據，總本金額為145,000,000美元。發行之定息票據分為兩批：金額為120,000,000美元之票據，年期十年，年息率為4.7%；以及金額為25,000,000美元之票據，年期七年，年息率為4.09%。發行票據所得款項用作為現有中期債務之再融資，以及撥作一般營運資金用途。

附註b：該抵押於年結後償還借款時已獲解除。

25. 融資租約之承擔

融資租約之承擔還款期如下：

	最低支付租金額		最低支付 租金額之現值	
	2003	2002	2003	2002
	千港元	千港元	千港元	千港元
本集團				
融資租約之還款額：				
一年內	6,825	7,825	5,485	7,336
兩年後五年內	11,154	3,688	7,871	3,497
五年後	7,283	—	6,390	—
	<u>25,262</u>	<u>11,513</u>	<u>19,746</u>	<u>10,833</u>
減：日後財務費用	(5,516)	(680)	—	—
租賃承擔之現值	<u>19,746</u>	<u>10,833</u>	19,746	10,833
減：一年內到期列作流動負債款項			(5,485)	(7,336)
一年後到期款項			<u>14,261</u>	<u>3,497</u>
本公司				
融資租約之還款額：				
一年內	2,187	5,475	1,963	5,109
兩年後五年內	624	2,624	595	2,473
	<u>2,811</u>	<u>8,099</u>	<u>2,558</u>	<u>7,582</u>
減：日後財務費用	(253)	(517)	—	—
租賃承擔之現值	<u>2,558</u>	<u>7,582</u>	2,558	7,582
減：一年內到期列作流動負債款項			(1,963)	(5,109)
一年後到期款項			<u>595</u>	<u>2,473</u>

本集團之政策為根據融資租約租賃若干廠房設備及機器、裝置及設備。租約期介乎三年至二十年。息率於合約日期釐訂及所有租約均採用固定還款形式。

23. 採購賬款及其他應付賬

採購賬款之賬齡分析如下：

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元 (重列)
零至六十日	1,042,276	619,751	444,349	183,117
六十一日至一百二十日	202,605	175,476	127,707	66,185
一百二十一日或以上	7,263	25,841	4,247	23,874
	<u>1,252,144</u>	<u>821,068</u>	<u>576,303</u>	<u>273,176</u>
採購賬款總額	1,252,144	821,068	576,303	273,176
其他應付賬	<u>832,054</u>	<u>640,962</u>	<u>263,295</u>	<u>144,263</u>
	<u>2,084,198</u>	<u>1,462,030</u>	<u>839,598</u>	<u>417,439</u>

24. 保用撥備

	本集團	
	2003 千港元	2002 千港元
於一月一日	79,315	26,979
匯兌調整	1,737	427
本年度額外撥備	387,287	58,233
收購附屬公司	67,860	1,287
已動用之撥備	<u>(327,647)</u>	<u>(7,611)</u>
於十二月三十一日	<u>208,552</u>	<u>79,315</u>

保用撥備乃指管理層就本集團年內銷售產品所須承擔責任之最佳估計。預計此開支大部份將於下一個財政年度內產生。

本集團持有之上述投資包括對Nack Products USA Limited(「Nack」)及America Direct, Inc.(「ADI」)之投資，其賬面值分別約為10,454,000港元(二零零二年：15,681,000港元)及4,403,000港元(二零零二年：6,604,000港元)。本公司之投資包括於Nack之同等金額投資。兩間公司均在美利堅合眾國(「美國」)註冊成立。Nack擁有在美國獨家推廣及經銷一項註冊專利產品之權利，而本集團持有該產品之生產權。Nack之主要業務為在美國推廣及經銷該項註冊專利產品及其他相關產品。ADI乃從事行銷業務，透過電視直銷及零售分銷渠道在美國及個別國際市場銷售。

本集團投資於Nack之約25%(二零零二年：25%)已發行股份由本公司直接持有，而本集團投資於ADI之26%(二零零二年：26%)已發行普通股則由本公司佔51%權益之附屬公司持有。由於本集團對Nack及ADI之事務均無重大影響力，故該兩間公司均不被視為本集團之聯營公司。

21. 存貨

	本集團		本公司	
	2003	2002	2003	2002
	千港元	千港元	千港元	千港元
原料	599,855	560,481	247,007	276,231
在製品	76,298	43,219	60,907	23,539
製成品	1,815,497	988,334	160,071	89,541
	<u>2,491,650</u>	<u>1,592,034</u>	<u>467,985</u>	<u>389,311</u>

於結算日，以可變現淨值列賬之存貨金額並不重大。

22. 銷售賬款及其他應收賬

本集團給予客戶之掛賬期介乎六十日至一百二十日。銷售賬款之賬齡分析如下：

	本集團		本公司	
	2003	2002	2003	2002
	千港元	千港元	千港元	千港元
零至六十日	1,711,577	992,138	39,765	56,570
六十一日至一百二十日	346,828	145,061	2,614	16,746
一百二十一日或以上	26,918	23,472	—	—
	<u>2,085,323</u>	<u>1,160,671</u>	<u>42,379</u>	<u>73,316</u>
銷售賬款總額	2,085,323	1,160,671	42,379	73,316
其他應收賬	112,466	52,763	—	—
	<u>2,197,789</u>	<u>1,213,434</u>	<u>42,379</u>	<u>73,316</u>

18. 於附屬公司之投資

	2003 千港元	2002 千港元
非上市股份投資，成本	402,408	402,314
附屬公司之欠款	—	70,349
	<u>402,408</u>	<u>472,663</u>

本公司於二零零三年十二月三十一日之主要附屬公司詳情載於附註第39項。

附屬公司之欠款乃無抵押、不計利息及沒有固定償還條款。

19. 於聯營公司應佔資產額

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
非上市股份，成本扣除確認減值	—	—	17,940	17,940
所佔資產淨值	19,623	20,610	—	—
聯營公司之欠款淨額	98,771	96,655	67,647	71,190
	<u>118,394</u>	<u>117,265</u>	<u>85,587</u>	<u>89,130</u>

於二零零三年十二月三十一日聯營公司之詳情載於附註第40項。

聯營公司之欠款乃無抵押及須計利息，息率按香港銀行同業拆息加市場息差計算，惟沒有固定償還條款。董事會認為由於上述款項於未來十二個月內尚不會償還，因此上述款項被列為非流動項目。

20. 證券投資

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
非流動資產				
非上市證券投資(股份)， 成本扣除確認減值	<u>41,419</u>	<u>55,447</u>	<u>10,454</u>	<u>15,681</u>
流動資產				
其他上市投資 (股本證券)，市價	<u>5,575</u>	<u>7,385</u>	<u>5,575</u>	<u>7,385</u>

17. 無形資產

	遞延開發 費用 千港元	專利權 及商標 千港元	生產技術 千港元	總額 千港元
本集團				
成本				
於二零零三年一月一日	1,669	14,706	2,668	19,043
匯兌調整	172	67	—	239
添置	459	5,341	842	6,642
收購附屬公司	—	25,562	—	25,562
本年度撇銷	(527)	(2,683)	—	(3,210)
於二零零三年十二月三十一日	<u>1,773</u>	<u>42,993</u>	<u>3,510</u>	<u>48,276</u>
攤銷				
於二零零三年一月一日	—	5,775	410	6,185
匯兌調整	—	45	—	45
本年度準備	—	6,550	702	7,252
收購附屬公司	—	12,323	—	12,323
撇銷時撇除	—	(2,683)	—	(2,683)
於二零零三年十二月三十一日	<u>—</u>	<u>22,010</u>	<u>1,112</u>	<u>23,122</u>
賬面淨值				
於二零零三年十二月三十一日	<u>1,773</u>	<u>20,983</u>	<u>2,398</u>	<u>25,154</u>
於二零零二年十二月三十一日	<u>1,669</u>	<u>8,931</u>	<u>2,258</u>	<u>12,858</u>
				專利權 千港元
本公司				
成本				
於二零零三年一月一日				7,437
添置				584
於二零零三年十二月三十一日				<u>8,021</u>
攤銷				
於二零零三年一月一日				1,037
本年度準備				1,325
於二零零三年十二月三十一日				<u>2,362</u>
賬面淨值				
於二零零三年十二月三十一日				<u>5,659</u>
於二零零二年十二月三十一日				<u>6,400</u>

本集團及本公司之所有無形資產分四年至十年以直線法攤銷。

16. 負商譽

	本集團 千港元
總額	
於二零零三年一月一日	
- 以往呈報金額	30,808
- 前期調整(附註2)	16,571
	<hr/>
- 重列金額及於二零零三年十二月三十一日	47,379
	<hr/>
撥回收入	
於二零零三年一月一日	
- 以往呈報金額	6,885
- 前期調整(附註2)	3,013
	<hr/>
- 重列金額	9,898
本年度撥回	4,306
	<hr/>
於二零零三年十二月三十一日	14,204
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賬面值	
於二零零三年十二月三十一日	33,175
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於二零零二年十二月三十一日	37,481
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負商譽按被收購之可折舊資產尚餘可用年限之加權平均年數為十一年以直線法撥回收入內。

15. 商譽

	本集團 千港元
成本	
於二零零三年一月一日	
- 以往呈報金額	280,361
- 前期調整(附註2)	(66,721)
	<hr/>
- 重列金額	213,640
收購附屬公司時產生	570,102
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於二零零三年十二月三十一日	783,742
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攤銷	
於二零零三年一月一日	
- 以往呈報金額	119,270
- 前期調整(附註2)	(13,344)
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- 重列金額	105,926
本年度支出	25,056
	<hr/>
於二零零三年十二月三十一日	130,982
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賬面淨值	
於二零零三年十二月三十一日	652,760
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於二零零二年十二月三十一日	107,714
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採用之攤銷期按以往收購時產生之商譽之估計可用年限釐訂，介乎九年至二十年。

	香港境外 租約土地 及樓宇 千港元	租約 物業裝修 千港元	辦公室 設備、 傢俬及裝置 千港元	廠房設備 及機器 千港元	汽車 千港元	模具及 工具 千港元	總額 千港元
本公司							
成本							
於二零零三年一月一日	72,393	63,939	72,232	197,356	9,369	409,641	824,930
添置	—	2,202	24,310	9,756	575	52,466	89,309
出售	—	—	(85)	(307)	—	—	(392)
轉撥往附屬公司	—	(2,140)	(20)	—	—	—	(2,160)
	<u>72,393</u>	<u>64,001</u>	<u>96,437</u>	<u>206,805</u>	<u>9,944</u>	<u>462,107</u>	<u>911,687</u>
折舊及攤銷							
於二零零三年一月一日	16,902	50,604	52,058	125,577	6,749	328,779	580,669
本年度準備	2,767	4,991	12,614	28,780	1,026	47,537	97,715
出售時撇除	—	—	(79)	(134)	—	—	(213)
轉撥往附屬公司時撇除	—	(139)	(4)	—	—	—	(143)
	<u>19,669</u>	<u>55,456</u>	<u>64,589</u>	<u>154,223</u>	<u>7,775</u>	<u>376,316</u>	<u>678,028</u>
賬面淨值							
於二零零三年十二月三十一日	<u>52,724</u>	<u>8,545</u>	<u>31,848</u>	<u>52,582</u>	<u>2,169</u>	<u>85,791</u>	<u>233,659</u>
於二零零二年十二月三十一日	<u>55,491</u>	<u>13,335</u>	<u>20,174</u>	<u>71,779</u>	<u>2,620</u>	<u>80,862</u>	<u>244,261</u>

本集團與本公司旗下物業、廠房及設備之賬面淨值包括根據融資租約持有之資產，其賬面淨值分別約為9,139,000港元及6,026,000港元（二零零二年：18,798,000港元及11,796,000港元）。

	本集團		本公司	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元
香港境外土地、土地使用權及樓宇之賬面淨值分析如下：				
永久業權	282,625	293,702	—	—
中期租約	52,724	55,491	52,724	55,491
	<u>335,349</u>	<u>349,193</u>	<u>52,724</u>	<u>55,491</u>

本集團已將賬面淨值合共14,134,000港元（二零零二年：14,774,000港元）之若干永久業權土地及樓宇作抵押，以獲得一般銀行融資信貸。該抵押於年結後已獲解除。

13. 每股盈利

基本及攤薄後之每股盈利乃根據以下數據計算：

	2003 千港元	2002 千港元 (重列)
用作計算基本及攤薄後每股盈利之盈利：		
本年度溢利	<u>673,973</u>	<u>413,414</u>
用作計算基本每股盈利之普通股加權平均數	653,630,513	621,966,346
普通股可能產生之攤薄影響：		
優先認股權	<u>15,326,233</u>	<u>9,078,074</u>
用作計算攤薄後每股盈利之普通股加權平均數	<u>668,956,746</u>	<u>631,044,420</u>

14. 物業、廠房及設備

	香港境外 土地、 土地使用權 及樓宇 千港元	租約 物業裝修 千港元	辦公室 設備、 傢俬及裝置 千港元	廠房設備 及機器 千港元	汽車 千港元	鑄模 及工具 千港元	船舶 千港元	在建工程 千港元	總額 千港元
本集團									
成本									
於二零零三年一月一日	418,028	98,702	219,555	390,676	18,565	798,586	3,322	21,389	1,968,823
匯兌調整	11,571	1,498	6,669	2,028	558	1,488	—	—	23,812
添置	6,745	5,659	51,062	36,640	1,408	117,764	154	22,850	242,282
收購附屬公司	97,413	50,708	126,370	55,035	751	167,051	—	—	497,328
出售	(88,471)	(422)	(6,574)	(10,712)	(1,029)	(7,849)	—	(247)	(115,304)
重新歸類	3,828	(2,993)	21,029	1,730	—	12,722	—	(36,316)	—
於二零零三年十二月 三十一日	<u>449,114</u>	<u>153,152</u>	<u>418,111</u>	<u>475,397</u>	<u>20,253</u>	<u>1,089,762</u>	<u>3,476</u>	<u>7,676</u>	<u>2,616,941</u>
折舊及攤銷									
於二零零三年一月一日	68,835	74,912	130,048	224,076	12,026	608,863	3,297	—	1,122,057
匯兌調整	4,710	1,098	5,863	1,277	361	1,253	—	—	14,562
本年度津貼	17,391	11,830	60,909	64,925	2,591	146,178	22	—	303,846
收購附屬公司	30,102	12,493	82,731	44,892	469	126,121	—	—	296,808
出售時撇除	(7,553)	(222)	(6,449)	(3,575)	(656)	(6,233)	—	—	(24,688)
重新歸類	280	(596)	(83)	1,809	—	(1,410)	—	—	—
於二零零三年十二月 三十一日	<u>113,765</u>	<u>99,515</u>	<u>273,019</u>	<u>333,404</u>	<u>14,791</u>	<u>874,772</u>	<u>3,319</u>	<u>—</u>	<u>1,712,585</u>
賬面淨值									
於二零零三年十二月 三十一日	<u>335,349</u>	<u>53,637</u>	<u>145,092</u>	<u>141,993</u>	<u>5,462</u>	<u>214,990</u>	<u>157</u>	<u>7,676</u>	<u>904,356</u>
於二零零二年十二月 三十一日	<u>349,193</u>	<u>23,790</u>	<u>89,507</u>	<u>166,600</u>	<u>6,539</u>	<u>189,723</u>	<u>25</u>	<u>21,389</u>	<u>846,766</u>

本年度之稅項開支對賬如下：

	2003 千港元	2002 千港元 (重列)
除稅前溢利	768,241	495,901
按香港利得稅率計算之稅項	134,442	79,344
其他司法權區營運附屬公司不同稅率之影響	(15,292)	11,354
稅務上不可扣減開支之稅項影響	21,095	14,580
稅務上毋須課稅收入之稅項影響	(94,618)	(47,091)
未確認稅項虧損之稅項影響	18,589	2,547
以往未確認稅項虧損之運用	—	(3,322)
前年度不足撥備	2,080	11,476
適用稅率提高引致期初遞延稅項負債之增加	1,823	—
其他	(1,308)	1,358
	<u>66,811</u>	<u>70,246</u>
稅項開支	<u>66,811</u>	<u>70,246</u>

遞延稅項詳情載於附註第29項。

12. 股息

	2003 千港元	2002 千港元
已派末期股息：		
二零零二年：每股10.00港仙 (二零零一年：每股7.00港仙)	65,388	45,060
已派中期股息：		
二零零三年：每股7.25港仙 (二零零二年：每股6.00港仙)	47,863	38,695
	<u>113,251</u>	<u>83,755</u>

董事會建議派發本財政年度之末期股息每股17.75港仙(二零零二年：每股10.00港仙)，惟尚須待股東週年大會上獲股東通過。

10. 僱員酬金

本集團五位最高薪酬人士其中四位(二零零二年：四位)為本公司之集團執行董事，彼等之酬金載於上文附註第9項。

截至二零零三年十二月三十一日止及截至二零零二年十二月三十一日止兩個年度內，本集團概無支付酬金予包括董事在內之五位最高薪酬人士，作為其加入本集團之酬勞或離職之補償。上述兩個年度內，並無董事放棄酬金。

11. 稅項

	2003 千港元	2002 千港元 (重列)
現行稅項：		
香港利得稅	78,997	31,509
前年度(超額)不足撥備	(2,817)	5,309
	<u>76,180</u>	<u>36,818</u>
本年度溢利之海外稅項	39,902	52,348
前年度不足撥備	4,897	6,167
	<u>44,799</u>	<u>58,515</u>
遞延稅項：		
本年度	(55,991)	(25,087)
稅率提高所佔數額	1,823	—
	<u>(54,168)</u>	<u>(25,087)</u>
	<u><u>66,811</u></u>	<u><u>70,246</u></u>

香港利得稅乃根據本年度估計應課稅溢利按17.5%(二零零二年：16.0%)之稅率計算。於二零零三年六月，香港利得稅率由16.0%提高至17.5%，自二零零三/二零零四評稅年度起生效。計算二零零三年十二月三十一日之現行及遞延稅項結餘時已反映上述稅率之提高。

遞延稅項按預計於償還負債或變現資產期間之適用稅率撥備。

其他司法權區之稅項按有關地區之適用稅率計算。

8. 財務成本

	2003 千港元	2002 千港元
利息：		
須於五年內悉數償還之銀行貸款及透支	71,849	83,527
融資租約之承擔	1,305	451
定息票據	20,493	—
貸款安排費用之攤銷	2,084	—
	<u>95,731</u>	<u>83,978</u>

9. 董事酬金

	2003 千港元	2002 千港元
董事袍金：		
執行董事	40	40
非執行董事	—	—
獨立非執行董事	156	156
	<u>196</u>	<u>196</u>
集團執行董事之其他酬金：		
薪金及其他福利	31,939	27,068
退休金計劃供款	78	48
	<u>32,067</u>	<u>27,116</u>
酬金總額	<u>32,263</u>	<u>27,312</u>

董事酬金之幅度如下：

	董事人數	
	2003	2002
零至1,000,000港元	4	5
2,000,001港元至2,500,000港元	—	1
3,000,001港元至3,500,000港元	1	—
5,000,001港元至5,500,000港元	2	2
5,500,001港元至6,000,000港元	—	1
6,500,001港元至7,000,000港元	1	—
8,500,001港元至9,000,000港元	—	1
11,500,001港元至12,000,000港元	1	—
	<u>1</u>	<u>—</u>

7. 經營溢利

	2003 千港元	2002 千港元 (重列)
經營溢利已扣除(計入)下列各項：		
無形資產攤銷	7,252	1,819
商譽攤銷	25,056	6,523
負商譽撥回收入	(4,306)	(4,306)
核數師酬金	7,527	5,768
物業、廠房及設備折舊及攤銷		
自置資產	292,185	252,887
根據融資租約持有之資產	11,661	9,725
已確認之證券投資減值	14,028	6,673
經營租約支出：		
物業	80,928	36,785
汽車	13,357	6,412
廠房設備及機器	9,638	4,101
其他資產	5,325	1,080
出售物業、廠房及設備之溢利	(4,304)	(16,073)
研究及開發費用	268,702	113,922
減：撥充資產數額	(458)	(2,138)
	<u>268,244</u>	<u>111,784</u>
退休金計劃供款	12,113	5,796
員工成本		
董事酬金		
袍金	196	196
其他酬金	32,067	27,116
其他	834,777	532,946
	<u>867,040</u>	<u>560,258</u>
無形資產撇銷	<u>527</u>	<u>2,897</u>

上文披露之員工成本並不包括研究及開發活動金額117,222,000港元(二零零二年：64,818,000港元)，該金額列入研究及開發費用內。

5. 營業額

	2003 千港元	2002 千港元
營業額分析如下：		
銷售貨品	13,143,731	9,492,938
佣金收入	13,095	—
特許使用權收入	25,982	—
	<u>13,182,808</u>	<u>9,492,938</u>

6. 利息收入

	2003 千港元	2002 千港元
銀行存款利息收入	14,823	11,100
聯營公司欠款利息收入	1,920	2,638
	<u>16,743</u>	<u>13,738</u>

市場分析資料

(i) 以下為按地域市場劃分本集團之銷售額分析：

	營業額		對除稅前日常 業務業績之貢獻	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元 (重列)
以地域市場劃分：				
北美洲	10,905,833	7,732,107	762,628	500,360
歐洲	1,522,361	1,095,200	92,491	45,629
其他國家	754,614	665,631	30,590	35,986
	<u>13,182,808</u>	<u>9,492,938</u>	885,709	581,975
商譽攤銷			(25,056)	(6,523)
負商譽撥回收入			4,306	4,306
經營溢利			864,959	579,758
財務成本			(95,731)	(83,978)
應佔聯營公司業績			(987)	121
除稅前溢利			<u>768,241</u>	<u>495,901</u>

(ii) 以下為按資產所在地區劃分之分類資產和增添之物業、廠房及設備與無形資產分析：

	分類資產賬面值		增添之物業、廠房 及設備與無形資產	
	2003 千港元	2002 千港元	2003 千港元	2002 千港元 (重列)
香港及中華人民 共和國(「中國」)	2,866,292	2,329,784	158,363	268,685
北美洲	4,561,102	2,833,133	643,780	62,255
歐洲	756,820	560,327	14,700	7,654
其他國家	398,864	327,309	2,183	512
	<u>8,583,078</u>	<u>6,050,553</u>	<u>819,026</u>	<u>339,106</u>

資產負債表

二零零二年十二月三十一日

	電動 工具產品 千港元	地板 護理產品 千港元	太陽能 照明 及電子 量度儀 千港元	綜合 千港元 (重列)
資產				
分類資產	5,381,302	571,431	97,820	6,050,553
於聯營公司應佔資產額				117,265
未分配企業資產				<u>255,287</u>
綜合資產總值				<u><u>6,423,105</u></u>
負債				
分類負債	(2,901,183)	(383,212)	(23,899)	(3,308,294)
未分配企業負債				<u>(1,267,957)</u>
綜合負債總額				<u><u>(4,576,251)</u></u>

其他資料

截至二零零二年十二月三十一日止年度

	電動 工具產品 千港元	地板 護理產品 千港元	太陽能 照明 及電子 量度儀 千港元	綜合 千港元 (重列)
增添資本開支	284,044	50,110	4,952	339,106
折舊及攤銷	211,757	51,046	3,845	266,648
已確認之證券投資減值	<u>6,673</u>	<u>—</u>	<u>—</u>	<u>6,673</u>

收入報表

截至二零零二年十二月三十一日止年度

	電動 工具產品 千港元	地板 護理產品 千港元	太陽能 照明 及電子 量度儀 千港元	對銷 千港元	綜合 千港元
營業額					
向外銷售	7,603,461	1,662,347	227,130	—	9,492,938
分類部門間銷售	108,727	—	1,822	(110,549)	—
總額	7,712,188	1,662,347	228,952	(110,549)	9,492,938
分類部門間銷售以當時 之市場費率計算。					(重列)
業績					
分類業績	471,768	73,092	37,115	—	581,975
商譽攤銷					(6,523)
負商譽撥回收入					4,306
經營溢利					579,758
財務成本					(83,978)
應佔聯營公司業績					121
除稅前溢利					495,901
稅項					(70,246)
除稅後溢利					425,655

資產負債表

二零零三年十二月三十一日

	電動 工具產品 千港元	地板 護理產品 千港元	太陽能 照明 及電子 量度儀 千港元	綜合 千港元
資產				
分類資產	6,766,767	1,536,586	279,725	8,583,078
於聯營公司應佔資產額				118,394
未分配企業資產				944,796
綜合資產總值				<u>9,646,268</u>
負債				
分類負債	(4,301,394)	(871,477)	(101,084)	(5,273,955)
未分配企業負債				<u>(1,813,055)</u>
綜合負債總額				<u>(7,087,010)</u>

其他資料

截至二零零三年十二月三十一日止年度

	電動 工具產品 千港元	地板 護理產品 千港元	太陽能 照明 及電子 量度儀 千港元	綜合 千港元
增添資本開支	155,965	652,333	10,728	819,026
折舊及攤銷	200,388	127,216	4,244	331,848
已確認之證券投資減值	14,028	—	—	14,028

4. 業務及市場分析資料

業務分析資料

在管理上而言，本集團從事製造與經銷電器及電子產品業務。分析資料乃按照產品種類呈列。

收入報表

截至二零零三年十二月三十一日止年度

	電動 工具產品 千港元	地板 護理產品 千港元	太陽能 照明 及電子 量度儀 千港元	對銷 千港元	綜合 千港元
營業額					
向外銷售	9,486,308	3,185,336	511,164	—	13,182,808
分類部門間銷售	194,995	12,160	53,172	(260,327)	—
	<u>9,681,303</u>	<u>3,197,496</u>	<u>564,336</u>	<u>(260,327)</u>	<u>13,182,808</u>
總額					
	<u>9,681,303</u>	<u>3,197,496</u>	<u>564,336</u>	<u>(260,327)</u>	<u>13,182,808</u>
分類部門間銷售按當時 之市場費率計算。					
業績					
分類業績	653,385	131,351	100,973	—	885,709
商譽攤銷					(25,056)
負商譽撥回收入					4,306
					<u>864,959</u>
經營溢利					864,959
財務成本					(95,731)
應佔聯營公司業績					(987)
					<u>768,241</u>
除稅前溢利					768,241
稅項					(66,811)
					<u>701,430</u>
除稅後溢利					<u>701,430</u>

外幣兌換

以港幣以外幣值計價之交易乃按交易日期之匯率初步計價。凡以外幣計價之貨幣資產及負債按結算日之匯率再行換算。因匯兌引起之損益均撥入年內之溢利或虧損。

在編製綜合賬目時，本集團海外業務之資產及負債均按結算日之匯率折算。收入及支出項目按年內之平均匯率折算。引起之匯兌差額(如有)列作股本權益並轉撥往本集團之換算儲備。上述匯兌差額於出售有關業務之年度內被確認為收入或支出。

借款成本

所有借款成本於產生之期間內被確認為開支。

貸款安排費用

貸款安排費用按貸款年期以直線法於收入報表內攤銷，以產生恒常之定期開支。

退休金計劃

退休金計劃乃按照相關法例及規定而制訂。對界定供款退休金計劃之供款於到期支付時列作開支入賬。根據界定退休金計劃預計於日後為提供退休福利所需支付之成本，乃在僱員提供服務之時而非待作出索償要求時確認入賬。

營業額

營業額乃本集團於本年度內向外界客戶出售貨品，經扣除退貨及折扣後之已收及應收款項淨額，加上佣金收入及特許使用權收入。

收入確認

當出售之貨品已付運及擁有權已轉移時，銷售收入被確認。

當服務已提供時，佣金收入被確認。

特許使用權收入乃按照相關協議之具體內容按時間比例確認。

利息收入乃就未償還本金按適用利率及時期比例計算。

稅項

所得稅開支乃為現行應繳稅項與遞延稅項之總額。

現行應繳稅項根據本年度之應課稅溢利計算。應課稅溢利與收入報表內呈報之純利兩者差異乃基於其並無計入其他年度之應課稅或可扣減收支項目，亦無計入永毋須課稅及不獲扣減之收入報表項目所致。

遞延稅項乃為財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間之差異而預計應繳付或可退回之稅項，並採用「資產負債表負債法」入賬。遞延稅項負債一般按所有應課稅暫時性差異予以確認，而遞延稅項資產之確認額度以可用作抵銷可能會產生應課稅溢利之可扣減臨時性差異為限。倘若臨時性差異乃基於商譽（或負商譽）或因一項不影響稅務溢利或會計溢利之交易（業務合併除外）而開始確認其他資產及負債所引致，則有關資產及負債不予確認。

遞延稅項負債按於附屬公司及聯營公司之投資所引致之應課稅臨時性差異而予以確認，惟本集團可控制撥回之臨時性差異及可能不會於可見將來撥回之臨時性差異則除外。

遞延稅項資產之賬面值會於每個結算日予以檢討，並在不可能再有充足應課稅溢利之情況下，遞減至可收回全部或部份資產。

遞延稅項按預計於償還負債或變現資產期間適用之稅率計算。遞延稅項於收入報表內扣除或計入。

減值

於每個結算日，本集團均會檢討有形資產與無形資產之賬面值，以確定此等資產有否出現減值。倘若某項資產之可收回款額估計低於其賬面值，則該資產之賬面值會被遞減至可收回款額之水平。減值會即時被確認為開支。

倘若其後撥回減值，則該資產之可收回款額會被遞增至估計可收回款額經修訂後之水平，惟所增加之賬面值不會超過假定該資產於以往年度未有被確認出現減值而應已被確定之賬面值。撥回之減值會即時被確認為收入。

證券投資

證券投資按交易日期之基準確認，並以成本初步計價。

除持有至期滿之債務證券外，投資會被分類為證券投資及其他投資。

在其後之報告日期被確定作長期策略性持有之證券投資以成本扣除任何非暫時性減值後計價。

其他投資以公平價值計價，未實現收益及虧損會計入年內之收入報表。

其他資產

其他資產按成本扣除任何確定減值後列賬。

存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本採用先入先出法計算。

研究及開發費用

撥作研究活動之費用於產生之期間內確認為開支。

因開發費用而於內部產生之無形資產只會在預期某項明確界定之項目之開發成本將可從日後之商業活動中得到彌補之情況下方予確認。由此產生之資產按其可用年限以直線法攤銷。

如不能被確認為屬內部產生之無形資產時，開發費用會於產生之期間內確認為開支。

以融資租約持有之資產

凡租約條款實質上將資產擁有權附帶之一切風險及回報撥歸予本集團之租約，均列為融資租約。

根據融資租約持有之資產按其於購買日期之公平價值撥充資本。該出租人之相應負債列入資產負債表內作為融資租約之承擔。財務成本，即租賃承擔總額與所收購資產之公平價值兩者差額乃按有關租約年期於收入報表內扣除，以便就承擔之餘額於每個會計期間內產生恒常之定期開支。

所有其他租約均列為經營租約，而全年租金乃按有關租約年期以直線法於收入報表內扣除。

物業、廠房及設備

物業、廠房及設備（在建工程除外）乃按成本扣除折舊或攤銷及累計減值後列賬。

物業、廠房及設備（在建工程除外）之折舊及攤銷乃按其估計可用年限，以直線法撇銷其成本，折舊所採用之年率如下：

永久業權土地	無
租約土地及土地使用權	2% 或以較短之租約年期決定
樓宇	4%
租約物業裝修	25%
辦公室設備、傢俬及裝置	16 ⅔% - 25%
廠房設備及機器	25%
汽車	16 ⅔% - 25%
鑄模及工具	20% - 33 ⅓%
船舶	20%

興建中作為生產、出租或行政用途或仍未定出用途之物業，均按成本扣除任何確定減值後列賬。成本包括專業費用及（就合格資產而言）按照本集團之會計政策已撥充資產之借款成本。此等資產採用與其他物業資產相同之基準，於資產準備作預定用途時開始計算折舊。

因出售資產或撤換資產所引致之溢利或虧損按出售所得款項與資產賬面值之差額釐訂並計入收入報表內。

根據融資租約持有之資產乃按其預計可用年限或租約年期兩者中之較短者，採用與自置資產相同之基準計算折舊。

商譽

綜合賬目時產生之商譽乃指收購附屬公司或聯營公司之購買代價超過本集團佔所收購業務於收購日期之可區別資產及負債公平價值之數額。

商譽會撥充資產並按其估計可用年限以直線法攤銷。收購附屬公司時產生之商譽於資產負債表上另行呈列。

在出售附屬公司或聯營公司時，應佔之未攤銷商譽數額在釐定出售業務之溢利或虧損時會計算在內。

負商譽

負商譽乃指本集團佔所收購業務於收購日期之可區別資產或負債公平價值超過收購附屬公司或聯營公司之購買代價之數額。

負商譽列作資產減值，並根據計算結餘所依之具體情況進行分析而撥回收入內。

於收購日期預計虧損或開支應佔之負商譽數額會撥回產生上述虧損或開支之期間之收入內。餘下之負商譽數額按被收購可區別可折舊資產尚餘之平均使用年限以直線法確認為收入。超出被收購可區別而非屬貨幣性資產公平價值總額之負商譽數額會即時被確認為收入。

收購附屬公司時產生之負商譽會於資產負債表上另行作為資產減值呈列。

於附屬公司之投資

於附屬公司之投資乃按成本扣除任何確定減值後列於本公司之資產負債表上。附屬公司業績按已收及應收股息計入本公司賬目內。

於聯營公司應佔資產額

綜合收入報表包括本集團應佔聯營公司於本年度之收購後業績。在綜合資產負債表內，於聯營公司應佔資產額以本集團應佔聯營公司之資產淨值扣除任何確定減值後列賬。

聯營公司業績按本年度之已收及應收股息計入本公司賬目內。在本公司之資產負債表內，於聯營公司之投資以成本扣除任何確定減值後列賬。

專利權及商標

專利權及商標按收購成本初步計算，並按估計可用年限以直線法攤銷。

財務報表附註

截至二零零三年十二月三十一日止年度

1. 一般資料

本公司為一間在香港註冊成立之公眾有限公司，其股份在香港聯合交易所有限公司上市。

本集團之主要業務為製造與經銷電器及電子產品。

2. 採納經修訂會計實務準則

本年度內，本集團首次採納香港會計師公會頒佈之香港財務報告準則經修訂會計實務準則第12號：「所得稅」。香港財務報告準則之條款包含香港會計實務準則及香港會計師公會批准之詮釋。

實行會計實務準則第12號（經修訂）之影響主要與遞延稅項有關。以往年度，遞延稅項乃按「損益表負債法」作出部份撥備，即除預期不會於可見將來回撥之時差外，所產生之時差均會確認為負債。會計實務準則第12號（經修訂）要求採用「資產負債表負債法」，即就財務報表中資產及負債之賬面值與計算應課稅溢利所用相應稅基間之所有暫時性差異（除極少數情況例外）確認遞延稅項。基於會計實務準則第12號（經修訂）並無任何特定過渡安排之規定，新會計政策以追溯方式應用。二零零二年度之比較數額已相應地重新編列。

由於上述會計政策變動，於二零零二年一月一日之期初保留溢利增加21,002,000港元，即為會計政策變動對二零零二年一月一日以前期間業績之累計影響。上述變動令截至二零零三年十二月三十一日止年度之溢利減少1,609,000港元（二零零二年：溢利增加4,582,000港元）。

3. 主要會計政策

編製之財務報表乃以歷史成本折算並經就證券投資之重估作出修訂，其與香港普遍採納之會計原則一致。所採用之主要會計政策如下：

綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止之財務報表。集團內公司間之一切重大交易及結餘已於綜合賬目時對銷。

於本年度內所收購或出售之附屬公司及聯營公司之業績乃由收購或出售之生效日期起列入綜合收入報表或自綜合收入報表扣除。

綜合現金流動表(續)

截至二零零三年十二月三十一日止年度

	2003 千港元	2002 千港元 (重列)
融資活動		
取得之新銀行貸款	1,178,302	312,000
發行定息票據所得款項	1,089,321	—
發行股份所得款項	61,938	397,380
信託收據貸款增加	14,697	15,748
償還銀行貸款	(2,037,364)	(64,918)
償還融資租約之承擔	(10,169)	(10,719)
已派股息	(113,251)	(83,755)
已派予少數股東之股息	—	(3,301)
發行股份費用	—	(11,954)
	<u>183,474</u>	<u>550,481</u>
來自融資活動之現金淨額	<u>183,474</u>	<u>550,481</u>
現金及現金等額增加淨額	<u>729,013</u>	<u>1,182,530</u>
年初之現金及現金等額	1,753,900	585,567
匯率折算之差額	<u>(38,815)</u>	<u>(14,197)</u>
年終之現金及現金等額	<u><u>2,444,098</u></u>	<u><u>1,753,900</u></u>
現金及現金等額結餘之分析		
可分為：		
銀行結餘、存款及現金	2,586,075	1,855,491
銀行透支	<u>(141,977)</u>	<u>(101,591)</u>
	<u><u>2,444,098</u></u>	<u><u>1,753,900</u></u>

綜合現金流動表

截至二零零三年十二月三十一日止年度

	附註	2003 千港元	2002 千港元 (重列)
經營活動			
經營溢利		864,959	579,758
調整：			
無形資產攤銷／撇銷		7,779	4,716
商譽攤銷		25,056	6,523
物業、廠房及設備折舊及攤銷		303,846	262,612
已確認之證券投資減值		14,028	6,673
利息收入		(16,743)	(13,738)
出售物業、廠房及設備之溢利		(4,304)	(16,073)
負商譽撥回收入		(4,306)	(4,306)
出售附屬公司之虧損	31	—	1,345
出售聯營公司之虧損		—	108
營運資金變動前之經營現金流動		1,190,315	827,618
存貨增加		(455,063)	(680,181)
銷售賬款及其他應收賬、訂金及預付款項增加		(747,305)	(397,117)
應收票據減少		225,641	70,579
聯營公司銷售賬款減少(增加)		6,712	(4,249)
採購賬款及其他應付賬增加		186,109	116,175
應付票據增加		1,196,329	1,006,475
保用撥備增加		59,640	50,622
聯營公司採購賬款增加		3,230	—
經營所得現金		1,665,608	989,922
已付利息		(93,647)	(83,978)
已付香港利得稅		(30,537)	(26,176)
已付海外稅項		(59,582)	(47,870)
獲退還海外稅款		16,138	870
來自經營活動之現金淨額		1,497,980	832,768
投資活動			
已收利息		16,743	13,738
出售物業、廠房及設備所得款項		94,920	35,396
購買物業、廠房及設備		(238,299)	(238,016)
添置無形資產		(6,642)	(11,388)
收購附屬公司(扣除所購入現金及現金等額)	30	(818,857)	(15,593)
出售附屬公司(扣除所出售現金及現金等額)	31	—	(275)
聯營公司(借款)還款		(2,116)	9,745
出售證券投資所得款項		1,810	—
收購聯營公司		—	(17,550)
購買證券投資		—	(4,076)
已抵押銀行存款減少		—	27,300
用於投資活動之現金淨額		(952,441)	(200,719)

綜合權益變動表

截至二零零三年十二月三十一日止年度

	股本 千港元	股份溢價 千港元	換算儲備 千港元	保留溢利 千港元	總額 千港元
於二零零二年一月一日					
— 以往呈報金額	114,903	242,313	(5,244)	751,402	1,103,374
— 前期調整(附註2)	—	—	(9,671)	21,002	11,331
— 重列金額	114,903	242,313	(14,915)	772,404	1,114,705
未於收入報表內確認 換算海外業務之 財務報告所引起 之匯兌差額	—	—	(1,853)	—	(1,853)
按溢價發行股份	14,240	371,186	—	—	385,426
本年度溢利	—	—	—	413,414	413,414
末期股息 — 二零零一年	—	—	—	(45,060)	(45,060)
中期股息 — 二零零二年	—	—	—	(38,695)	(38,695)
於二零零三年一月一日	129,143	613,499	(16,768)	1,102,063	1,827,937
未於收入報表內確認 換算海外業務之 財務報告所引起 之匯兌差額	—	—	62,287	—	62,287
按溢價發行股份	3,354	58,584	—	—	61,938
本年度溢利	—	—	—	673,973	673,973
末期股息 — 二零零二年	—	—	—	(65,388)	(65,388)
中期股息 — 二零零三年	—	—	—	(47,863)	(47,863)
於二零零三年 十二月三十一日	<u>132,497</u>	<u>672,083</u>	<u>45,519</u>	<u>1,662,785</u>	<u>2,512,884</u>

本集團之保留溢利包括本集團應佔聯營公司之收購後虧損13,979,000港元(二零零二年:12,992,000港元),以及本集團關於聯營公司之換算儲備進賬款額1,541,000港元(二零零二年:1,541,000港元)。

資產負債表(續)

二零零三年十二月三十一日

	附註	2003 千港元	2002 千港元 (重列)
股本與儲備			
股本	27	132,497	129,143
儲備	28	2,106,955	1,551,731
		<u>2,239,452</u>	<u>1,680,874</u>
非流動負債			
融資租約之承擔 — 於一年後到期	25	595	2,473
借款 — 於一年後到期	26	251,334	156,000
遞延稅項負債	29	15,006	13,333
		<u>266,935</u>	<u>171,806</u>
		<u>2,506,387</u>	<u>1,852,680</u>

資產負債表

二零零三年十二月三十一日

	附註	2003 千港元	2002 千港元 (重列)
資產			
非流動資產			
物業、廠房及設備	14	233,659	244,261
無形資產	17	5,659	6,400
於附屬公司之投資	18	402,408	472,663
於聯營公司應佔資產額	19	85,587	89,130
證券投資	20	10,454	15,681
其他資產		1,195	1,195
		<u>738,962</u>	<u>829,330</u>
流動資產			
存貨	21	467,985	389,311
銷售賬款及其他應收賬	22	42,379	73,316
訂金及預付款項		78,514	67,805
應收票據		12,280	191,355
證券投資	20	5,575	7,385
附屬公司之欠款		4,200,897	1,996,921
銀行結餘、存款及現金		1,067,850	791,912
		<u>5,875,480</u>	<u>3,518,005</u>
流動負債			
採購賬款及其他應付賬	23	839,598	417,439
應付票據		2,510,640	1,487,570
欠附屬公司之款項		549,641	255,087
欠聯營公司之款項		3,230	—
應繳稅項		37,168	9,357
融資租約之承擔 — 於一年內到期	25	1,963	5,109
借款 — 於一年內到期	26	165,815	320,093
		<u>4,108,055</u>	<u>2,494,655</u>
流動資產淨值		<u>1,767,425</u>	<u>1,023,350</u>
資產總值減流動負債		<u>2,506,387</u>	<u>1,852,680</u>

綜合資產負債表(續)

二零零三年十二月三十一日

	附註	2003 千港元	2002 千港元 (重列)
股本與儲備			
股本	27	132,497	129,143
儲備		2,380,387	1,698,794
		<u>2,512,884</u>	<u>1,827,937</u>
少數股東權益		<u>46,374</u>	<u>18,917</u>
非流動負債			
融資租約之承擔 — 於一年後到期	25	14,261	3,497
借款 — 於一年後到期	26	1,348,497	554,059
遞延稅項負債	29	46,735	22,437
		<u>1,409,493</u>	<u>579,993</u>
		<u><u>3,968,751</u></u>	<u><u>2,426,847</u></u>

綜合資產負債表

二零零三年十二月三十一日

	附註	2003 千港元	2002 千港元 (重列)
資產			
非流動資產			
物業、廠房及設備	14	904,356	846,766
商譽	15	652,760	107,714
負商譽	16	(33,175)	(37,481)
無形資產	17	25,154	12,858
於聯營公司應佔資產額	19	118,394	117,265
證券投資	20	41,419	55,447
遞延稅項資產	29	273,937	168,196
其他資產		1,195	1,195
		<u>1,984,040</u>	<u>1,271,960</u>
流動資產			
存貨	21	2,491,650	1,592,034
銷售賬款及其他應收賬	22	2,197,789	1,213,434
訂金及預付款項		293,408	197,997
應收票據		36,409	261,186
證券投資	20	5,575	7,385
可退回稅款		51,274	16,858
聯營公司銷售賬款		48	6,760
銀行結餘、存款及現金		2,586,075	1,855,491
		<u>7,662,228</u>	<u>5,151,145</u>
流動負債			
採購賬款及其他應付賬	23	2,084,198	1,462,030
應付票據		2,809,963	1,613,634
保用撥備	24	208,552	79,315
聯營公司採購賬款		3,230	—
應繳稅項		68,114	52,787
融資租約之承擔 — 於一年內到期	25	5,485	7,336
借款 — 於一年內到期	26	497,975	781,156
		<u>5,677,517</u>	<u>3,996,258</u>
流動資產淨值		<u>1,984,711</u>	<u>1,154,887</u>
資產總值減流動負債		<u><u>3,968,751</u></u>	<u><u>2,426,847</u></u>

財務報表摘要

經審核綜合財務報表

以下創科集團之經審核綜合財務報表乃摘錄自創科集團截至二零零三年十二月三十一日止年度年報第38頁至第84頁。

綜合收入報表

截至二零零三年十二月三十一日止年度

	附註	2003 千港元	2002 千港元 (重列)
營業額	5	13,182,808	9,492,938
銷售成本		(9,284,759)	(7,025,629)
毛利總額		3,898,049	2,467,309
其他經營收入		39,575	55,495
利息收入	6	16,743	13,738
銷售、分銷、宣傳及保用費用		(1,574,549)	(1,018,925)
行政費用		(1,246,615)	(826,075)
研究及開發費用		(268,244)	(111,784)
經營溢利	7	864,959	579,758
財務成本	8	(95,731)	(83,978)
未計應佔聯營公司業績 及稅項前溢利		769,228	495,780
應佔聯營公司業績		(987)	121
除稅前溢利		768,241	495,901
稅項	11	(66,811)	(70,246)
未計少數股東權益前溢利		701,430	425,655
少數股東權益		(27,457)	(12,241)
本年度溢利		<u>673,973</u>	<u>413,414</u>
股息	12	<u>(113,251)</u>	<u>(83,755)</u>
每股盈利	13		
基本		<u>1.03 港元</u>	<u>0.66 港元</u>
攤薄後		<u>1.01 港元</u>	<u>0.66 港元</u>

財務資料摘要

	(經審核)		
	截至十二月三十一日止年度		
	2003	2002	2001
	(除每股數據外，以千港元為單位)		
營業額	13,182,808	9,492,938	6,101,140
銷售成本	(9,284,759)	(7,025,629)	(4,594,011)
毛利總額	3,898,049	2,467,309	1,507,129
其他收入	56,318	69,233	41,396
銷售、分銷、宣傳及保用費用	(1,574,549)	(1,018,925)	(516,684)
行政費用	(1,246,615)	(826,075)	(595,698)
研究及開發費用	(268,244)	(111,784)	(79,931)
經營溢利	864,959	579,758	356,212
財務成本	(95,731)	(83,978)	(91,000)
未計應佔聯營公司業績 及稅項前溢利	769,228	495,780	265,212
應佔聯營公司業績	(987)	121	(300)
除稅前溢利	768,241	495,901	264,912
稅項	(66,811)	(70,246)	(22,940)
未計少數股東權益前溢利	701,430	425,655	241,972
少數股東權益	(27,457)	(12,241)	(3,125)
本年度溢利	<u>673,973</u>	<u>413,414</u>	<u>238,847</u>
已派股息	<u>113,251</u>	<u>83,755</u>	<u>60,057</u>
每股盈利			
基本	<u>1.03港元</u>	<u>66.0仙</u>	<u>42.02仙</u>
攤薄後	<u>1.01港元</u>	<u>66.0仙</u>	<u>41.83仙</u>

下表列載創科集團截至所示期間之綜合財務資料概要。下文所載截至二零零一年、二零零二年及二零零三年十二月三十一日止年度之經審核綜合財務資料概要摘錄自在此之前已公佈創科集團之經審核綜合財務報表(詳見下文)，並應與在此之前已公佈創科集團截至二零零一年、二零零二年及二零零三年十二月三十一日止三個年度每年之經審核綜合財務報表(包括創科集團截至二零零一年、二零零二年及二零零三年十二月三十一日止三個年度每年之經審核綜合損益賬，以及創科集團於二零零一年、二零零二年及二零零三年十二月三十一日之經審核綜合資產負債表)和本通函其他各處所載之相關附註一併參閱。

截至二零零三年十二月三十一日止年度之數字乃摘錄自創科集團截至二零零三年十二月三十一日止年度之經審核財務報表。截至二零零二年十二月三十一日止年度之數字乃摘錄自創科集團截至二零零三年十二月三十一日止年度之經審核綜合財務報表，理由為截至二零零二年十二月三十一日止年度之比較數字經重新編列以反映於二零零三年採納香港會計師公會頒佈之會計實務準則第12號(經修訂)：「所得稅」而在會計政策上作出之變動。截至二零零一年十二月三十一日止年度之數字乃摘錄自創科集團截至二零零一年十二月三十一日止年度之綜合財務報表。對下文所載截至二零零一年十二月三十一日止年度之數字並無因應採納會計實務準則第12號(經修訂)而重新編列以反映會計政策之變動。

董事會函件

- (ii) 當時擁有大會投票權，並親身或委派代表出席之最少三位股東；或
- (iii) 代表擁有大會投票權之全體股東投票權總額不少於十分一，並親身或委派代表出席之一位或多位股東；或
- (iv) 持有賦予大會投票權之本公司股份實繳股本總額相等於賦予該權利之全數股份實繳股款總額不少於十分一，並親身或委派代表出席之一位或多位股東。

在主席同意下，提出以股數方式表決之要求可於大會結束前或以股數方式進行表決前（以較早者為準）隨時予以撤回。

J. 推薦意見

經考慮該交易預計會為創科集團帶來之整體得益後，董事認為購股協議之條款（包括收購價）乃屬公平及合理，而且符合股東之整體利益。董事推薦股東投票贊成於股東特別大會上提呈有關批准該交易之決議案。

執行董事及彼等各自之聯繫人士（定義見上市規則）實益持有合共417,070,742股股份，約佔本公司於最後實際可行日期已發行股本之30.85%，彼等已表明擬就上述股份對有關批准該交易之決議案投贊成票。

K. 附加資料

敬請閣下垂注載於本通函各附錄內之附加資料。

此致

列位股東 台照及
列位購股權及可換股債券持有人 參照

承董事會命
主席兼行政總裁
Horst Julius Pudwill先生
謹啟

二零零四年十一月二十三日

附註：

1. 該業務之經審核綜合資產負債表以美元計算，並已按1美元兌7.8港元之兌換率折算為港元。
2. 誠如購股協議所載，本公司將不會購入於收購日期該業務之銀行結餘及現金、與ATCO集團公司間之銷售賬款或採購賬款、應收或應付ATCO關連方之款項、可退回稅款、應繳稅項、遞延稅項資產及遞延稅項負債，因此，商譽之調整事實上乃以購股協議作為依據，並對本公司產生持續之影響。

收購該業務產生之商譽金額約為377,800,000港元，即為總代價5,000,100,000港元（包括收購價4,887,300,000港元及估計開支112,800,000港元）與於二零零四年六月三十日收購前之資產淨值4,622,300,000港元（包括於二零零四年六月三十日之淨資產4,304,000,000港元惟不包括於二零零四年六月三十日該業務之銀行結餘及現金、與ATCO集團公司間之銷售賬款或採購賬款、應收或應付ATCO關連方之款項、可退回稅款、應繳稅項、遞延稅項資產及遞延稅項負債合共318,300,000港元）兩者之差額。

3. 備考財務資料乃按在各重大方面與本公司之會計政策相符之形式而編製。

I. 股東特別大會

本公司謹定於二零零五年一月三日上午十時正假座香港中環干諾道中3號香港麗嘉酒店海景廳舉行股東特別大會，大會通告載於本通函第133頁至第134頁，會上將提呈一項普通決議案以供考慮並酌情批准該交易。

據董事經作出一切合理查詢後所知及確信，並無任何股東於該交易中擁有重大利益關係因而須放棄在股東特別大會上之投票權。

隨本通函附上股東特別大會適用之代表委任表格。無論閣下能否親身出席股東特別大會，務請按隨附之代表委任表格上印列之指示填妥該表格並盡快交回本公司之註冊辦事處，地址為香港新界荃灣青山道388號中國染廠大廈24樓，惟無論如何最遲須於大會或任何續會（視情況而定）指定舉行時間四十八小時前交回。閣下填妥及交回代表委任表格後，屆時仍可親身出席股東特別大會或任何續會（視情況而定）並於會上投票。

依據本公司之公司組織章程細則第74及75項，除非於宣佈舉手表決結果時或之前或任何其他提出以股數方式表決之要求被撤回之時，下列人士要求以股數方式表決，否則提交股東大會之決議案須以舉手方式表決：

- (i) 大會主席；或

董事會函件

H. 擴大後集團之備考財務資料

以下為擴大後集團之備考未經審核經調整合併資產及負債報表概要，乃根據摘錄自創科集團截至二零零四年六月三十日止六個月中期報告內所載於二零零四年六月三十日之未經審核綜合資產淨值，以及本通函附錄四內所載該業務於二零零四年六月三十日之經審核綜合資產淨值而編製，並經就反映該交易之影響而作出調整。

	創科集團 於二零零四年 六月三十日 之未經審核 綜合資產 負債表 百萬港元	該業務 於二零零四年 六月三十日 之經審核 綜合資產 負債表 百萬港元 (附註1)	調整 百萬港元	總額 百萬港元
物業、廠房及設備	863.9	1,152.1		2,016.0
商譽	635.6	3,010.0	377.8 (附註2)	4,023.4
負商譽	(31.0)	—		(31.0)
無形資產	178.7	113.9		292.6
聯營公司投資	132.1	—		132.1
證券投資	38.6	—		38.6
遞延稅項資產	300.7	148.2	(148.2) (附註2)	300.7
其他資產	1.2	31.2		32.4
流動資產				
銷售賬款及其他應收賬	1,579.1	1,003.8	(30.4) (附註2)	2,552.5
應收ATCO關連方之款項	—	560.8	(560.8) (附註2)	—
可退回稅款	1.1	0.8	(0.8) (附註2)	1.1
其他流動資產	2,996.3	975.0	—	3,971.3
銀行結餘、存款及現金	1,971.0	16.4	(5,016.5) (附註2)	(3,029.1)
流動資產總值	<u>6,547.5</u>	<u>2,556.8</u>	<u>(5,608.5)</u>	<u>3,495.8</u>
流動負債				
採購賬款、應付票據及 其他應付賬	(3,427.3)	(725.4)	35.1 (附註2)	(4,117.6)
應付ATCO關連方之款項	—	(822.9)	822.9 (附註2)	—
應繳稅項	(108.2)	(4.7)	4.7 (附註2)	(108.2)
其他流動負債	(862.8)	(749.6)	—	(1,612.4)
流動負債總額	<u>(4,398.3)</u>	<u>(2,302.6)</u>	<u>862.7</u>	<u>(5,838.2)</u>
總資產減流動負債	<u>4,269.0</u>	<u>4,709.6</u>	<u>(4,516.2)</u>	<u>4,462.4</u>
融資租賃之承擔 —				
於一年後到期	(3.2)	(146.6)		(149.8)
銀行借貸 — 於一年後到期	(1,405.5)	—	—	(1,405.5)
其他應付賬	—	(34.3)		(34.3)
遞延稅項負債	(47.9)	(212.2)	212.2 (附註2)	(47.9)
少數股東權益	(64.6)	—		(64.6)
撥備	—	(12.5)		(12.5)
	<u>(1,521.2)</u>	<u>(405.6)</u>	<u>212.2</u>	<u>(1,714.6)</u>
資產淨值	<u><u>2,747.8</u></u>	<u><u>4,304.0</u></u>	<u><u>(4,304.0)</u></u>	<u><u>2,747.8</u></u>

加入該業務將使擴大後集團可結合其在推出產品及工藝技術、設計和採購之能力。該交易亦會加強創科集團在全球電動工具業(尤其是美國及歐洲市場)和高端產品市場之品牌組合及分銷網。隨著整體經濟改善，對該業務之產品需求預期會增加。此外，透過存貨管理及持續開發具創意之新產品，在提升盈利方面亦有相當發展空間。擴大後集團擬專注核心業務，並會把握機會拓展具備可為股東創造價值之潛力市場。憑藉穩固之核心業務、持續擴展產品系列及多元化拓展市場，擴大後集團處於有利位置面對未明朗之經濟前景仍可保持強勁增長勢頭。

G. 進行該交易之理由及得益

董事相信收購該業務將有助鞏固本公司在全球電動工具業之領導地位。透過收購METCO，本公司將取得Milwaukee®此個以專業技術人員為對象兼具穩固基礎及知名度之美國電動工具品牌。而透過收購AET，本公司將取得AEG®此個以專業技術人員為對象之知名歐洲電動工具品牌。此外，董事相信METCO之工藝技術及設計能力可以在本公司之現有產品組合中得到充份發揮。

該交易尤其使本公司可以：

- (a) 提高本公司產品過往在歐洲偏低之市場佔有率；
- (b) 憑藉該業務擁有之獨立經銷商網絡，擴展本公司產品之現有經銷渠道，從而使客戶基礎更趨多元化；
- (c) 借助METCO及AET之經銷網絡，加強銷售其過往未涉足之現有產品，如加壓清洗機、氣動敲釘機、平台及固定式工具、濕／乾式吸塵機及激光量度儀等之銷售；
- (d) 與其他在世界各地提供廣泛系列較高價位產品之主要環球工具製造商展開更有力之競爭；
- (e) 晉身為其中一家主要電動工具配件供應商，從而進一步補足及加強本公司之採購能力，同時鞏固本公司在如圓孔鋸、往復式鋸、線鋸片、專業用鑽頭等各類產品之市場地位；及
- (f) 憑藉該業務掌握之設計、工藝及生產技術，將為北美洲及歐洲市場上之若干主要產品類別提供具關鍵作用之專業支援。

資本架構

於二零零四年六月三十日，該業務之資產淨值為551,800,000美元，包括非流動資產571,200,000美元、流動資產327,800,000美元、非流動負債52,000,000美元及流動負債295,200,000美元。

其他

於二零零四年六月三十日，該業務並無任何重大投資或以業務資產作抵押。於二零零四年六月三十日，該業務之或然負債為300,000美元，主要來自擔保。此外，該業務牽涉多宗關於侵犯專利權、品牌市場推廣及產品責任之法律訴訟。該業務之管理層相信上述法律訴訟之裁決將不會對該業務構成任何重大不利財務影響。

D. 有關ATCO之資料

ATCO為一家總部位於瑞典斯德哥爾摩之環球工業集團之母公司。於二零零三年，ATCO之營業收入為44,600,000,000瑞典克朗（約45,800,000,000港元），其中98%之營業收入來自瑞典境外，僱用員工接近26,000名。ATCO開發、製造及經銷電動及氣動式工具、壓縮氣設備及發電機、建築及採礦設備、裝配系統，以及提供相關服務及設備租賃。有關詳情請瀏覽以下網站：www.atlascopco-group.com（該網站之資料並不構成本通函之部份內容）。

E. 有關本公司之資料

本公司創立於一九八五年，現為其中一家業務迅速增長之主要家居裝修工具供應商，在全球僱用約16,300名員工。本公司在全球擁有之品牌組合包括RYOBI®電動工具、HOMELITE®及RYOBI®戶外園藝電動工具、ROYAL®、DIRT DEVIL®、REGINA®及VAX®地板護理產品。本公司自一九九零年在聯交所上市後業務持續增長，過去九年之營業額均取得雙位數增長。本公司亦為恒生綜合指數旗下恒生香港中型股指數、摩根士丹利資本國際香港指數、富時環球香港指數及富時／恒生亞洲耐用品指數之成份股。有關詳情請瀏覽以下網站：www.ttigroup.com（該網站所載資料並不構成本通函之部份內容）。

F. 擴大後集團之業務及財務前景

儘管全球經濟保持復甦跡象，經濟前景仍未明朗。管理層專注透過有效之市場推廣、產品創新及整合業務工序，藉以提高收入及盈利。創科集團一直維持低成本架構，將生產廠房設於中國，並與主要供應商及經銷商保持穩固關係。電動工具及戶外園藝電動工具業務方面，創科集團擬專注推出新產品，同時結合發揮RYOBI®、HOMELITE®及RIDGID®品牌之優勢，達致產品系列多元化及提高市場佔有率。創科集團亦擬加強市場推廣力度以提高地板護理產品、太陽能產品、激光及電子量度儀業務之品牌知名度。

融資現金流量

截至二零零四年六月三十日止六個月之融資現金流出量為7,100,000美元，以營運現金流量正數抵銷ATCO集團現金總匯之負結餘（其為安排與ATCO集團控股公司間之透支備用信貸）。

二零零三財政年度之融資現金流量為10,900,000美元。因收購DreBo關係，該業務在ATCO集團現金總匯之負結餘增加。

二零零二財政年度之融資現金流出量為16,800,000美元，以營運現金流量正數抵銷ATCO集團現金總匯之負結餘。

二零零一財政年度之融資現金流出量為45,000,000美元，以大額之營運現金流量正數抵銷ATCO集團現金總匯之負結餘。

ATCO集團現金總匯於各期間之初出現負結餘乃歸因於通常於下半年度派發股息所致。

資本負債比率

截至二零零三年十二月三十一日止三個年度及截至二零零四年六月三十日止六個月，資本負債比率（銀行借貸、ATCO集團現金總匯借貸、應付融資租約款項、退休金及相若承擔除以股東權益）分別約為28.8%、30.0%、38.3%及37.5%。二零零三年之資本負債比率上升歸因於二零零三年四月為收購DreBo而進行融資所致。

營運資金分析

截至二零零三年十二月三十一日止三個年度及截至二零零四年六月三十日止六個月，存貨值分別為100,100,000美元、126,900,000美元、118,700,000美元及125,000,000美元。

截至二零零三年十二月三十一日止三個年度及截至二零零四年六月三十日止六個月，銷售賬款分別為103,000,000美元、108,300,000美元、115,900,000美元及119,300,000美元。

截至二零零三年十二月三十一日止三個年度及截至二零零四年六月三十日止六個月，採購賬款分別為31,700,000美元、35,500,000美元、29,900,000美元及39,700,000美元。

(d) 流動資金及財政資源

以往該業務之主要資金來源為營運所得現金及ATCO中央資源提供之資金。該業務之營運資金變動一般與該業務之銷量變動有直接關連。該業務將資金主要用於收購及投資。

營運現金流量

截至二零零四年六月三十日止六個月之營運現金流量為18,300,000美元。營運資金增加10,900,000美元，主要歸因於歐洲之生產廠房為準備迎接二零零四年下半年度之預計付運高峯期而累積存貨所致。就季節而言，每年下半年度之銷量較上半年度強勁。

二零零三年之營運現金流量為75,500,000美元。營運資金減少21,400,000美元，主要歸因於在北美洲持續推行存貨管理及客戶回報率下降所致。歐洲方面，裝配工序由德國遷往捷克共和國引致存貨積壓之暫時性現象好轉，存貨量因而下降。

二零零二年之營運現金流量為37,500,000美元。營運資金增加7,000,000美元，主要歸因於北美洲市場在年末最後兩個月出現意想不到之疲弱而且幅度頗大，令存貨量急增所致。歐洲方面，裝配工序遷往捷克共和國令致存貨增加。

二零零一年之營運現金流量為62,400,000美元。銷量下降令營運資金減少16,300,000美元。

投資現金流量

截至二零零四年六月三十日止六個月之投資現金流出量為10,800,000美元。重大投資包括改良密爾沃基市之廠房設施和一條鋸片生產線之CNC機械及工具。

二零零三財政年度之投資現金流出量為86,200,000美元。於二零零三年，ATCO以61,600,000美元代價收購DreBo。二零零三年之物業及機器投資金額為21,400,000美元，該業務投資於密爾沃基市之大樓、電池產品及CNC機械。

二零零二財政年度之投資現金流出量為20,600,000美元。於二零零二年，該業務延續二零零一年對自動化鋸片生產線和有關Sawzalls®、圓孔鋸及帶鋸片之熱處理系統之投資。

二零零一財政年度之投資現金流出量為18,500,000美元。年內對自動化鋸片生產線進行投資。

商譽攤銷

二零零二財政年度之商譽攤銷金額為11,000,000美元，維持於二零零一年水平不變。

其他營運收入及開支

二零零二財政年度之其他營運收入及開支為負2,300,000美元，相比於二零零一年則為負500,000美元。

經營溢利

二零零二財政年度之經營溢利為31,300,000美元（或約相當於營業額之4.7%），相比於二零零一財政年度則為32,100,000美元（或約相當於營業額之5.0%），減幅約2.5%或800,000美元。此反映出兩個年度重組開支及市場推廣費用之差距，抵銷了北美洲市場銷量增加之影響。

財務收入及開支

截至二零零二年十二月三十一日止年度之財務開支淨額為5,000,000美元，相比於截至二零零一年十二月三十一日止年度則為7,300,000美元，開支減少部份歸因於利率下調所致。

稅項

截至二零零二年十二月三十一日止年度之稅項開支為14,600,000美元，相比於二零零一年則為13,000,000美元。

純利

截至二零零二年十二月三十一日止年度之純利為11,700,000美元，相比於截至二零零一年十二月三十一日止年度則為11,800,000美元，減幅約0.8%。

銷售額

二零零二年之營業額為664,500,000美元，相比於二零零一年則為644,700,000美元，增幅約3.1%，反映出欠佳之匯率走勢抵銷了銷量及價格上升之效應。

銷量增長主要由相對強勁之北美洲市場帶動，配件及附屬產品對銷量增長之貢獻良多。北美洲市場在家居用品中心和傳統銷售渠道之增長模式相若。歐洲業務受到中歐住宅建築市場需求疲弱之不利影響。繼在歐洲推出Milwaukee®品牌及對AEG®品牌之價格重新定位後，該業務在歐洲市場之產品整體價格得以提升。增添更多Milwaukee®品牌工具後之新產品組合令收入進一步增加。

毛利總額

二零零二財政年度扣除銷貨成本後之毛利總額為177,000,000美元（約相等於26.6%之毛利率），相比於二零零一財政年度則為169,400,000美元（約相等於26.3%之毛利率）。二零零二年之毛利總額反映該業務將大部份在歐洲之裝配工序由德國遷往捷克共和國引致之相關重組開支。在美國就生產架構變動而引致之相若重組開支已計入二零零一年度賬目中。未計重組開支前之利潤率改善主要由北美洲業務帶動，當地較佳之產品組合及配件銷售額上升，加上提升產能使用率，對業績之貢獻良多。

市場推廣費用

二零零二財政年度之市場推廣費用總額為77,800,000美元，相比於二零零一年則為70,200,000美元，增幅約10.8%，主要歸因於在歐洲為Milwaukee®品牌之面世及對AEG®品牌之重新定位而進行市場推廣活動所致。

行政費用

二零零二財政年度之行政費用總額為33,600,000美元，相比於二零零一年則為34,100,000美元，減幅約1.5%。

研究及開發費用

二零零二財政年度之研究及開發費用為21,000,000美元，相比於二零零一年則為21,500,000美元，反映對投入開發產品持續而堅定之承諾。

商譽攤銷

二零零三財政年度之商譽攤銷金額為12,600,000美元，相比於二零零二年則為11,000,000美元，增幅約14.5%。二零零三年增加之商譽攤銷與二零零三年四月收購DreBo有關。

其他營運收入及開支

二零零三財政年度之其他營運收入為900,000美元，相比於二零零二年之其他營運開支則為2,300,000美元。

經營溢利

二零零三財政年度之經營溢利為36,300,000美元（或約相當於營業額之5.2%），相比於二零零二財政年度則為31,300,000美元（或約相當於營業額之4.7%），增幅約16.0%或5,000,000美元。利潤率增加0.5%主要歸因於二零零三年之重組開支較二零零二年為低所致。

財務收入及開支

截至二零零三年十二月三十一日止年度之財務開支淨額為6,600,000美元，相比於截至二零零二年十二月三十一日止年度則為5,000,000美元，增幅約32.0%，主要歸因於為收購DreBo而進行融資所致。

稅項

截至二零零三年十二月三十一日止年度之稅項開支為16,700,000美元，相比於截至二零零二年十二月三十一日止年度則為14,600,000美元。

純利

截至二零零三年十二月三十一日止年度之純利為13,000,000美元，相比於截至二零零二年十二月三十一日止年度則為11,700,000美元，增幅約11.1%。

- (c) 截至二零零二年十二月三十一日止年度與截至二零零一年十二月三十一日止年度之比較

市場回顧

於二零零二年，北美洲市場之住宅興建量較對上年度增加，對專業級電動工具之需求相應殷切。然而，於年底市場明顯放緩。歐洲市場之需求疲弱，尤以德國為然。

美元疲弱尤其影響到亞洲市場所佔之銷售額，當地以歐羅計算之生產成本相對於以美元或其他和美元掛鈎貨幣計算之生產成本為高。美國家居用品中心於二零零三年初之存貨普遍過剩，存貨調整對該業務於二零零三年首季之銷售額產生不良影響。AEG®品牌之價格重新定位，包括審慎地退出若干家居用品中心業務，均影響到歐洲市場之銷售額。於二零零三年四月收購DreBo之影響足以抵銷歐洲業務以當地幣值計算銷售額之跌幅有餘，而配件業務於二零零三年亦持續向好發展。

毛利總額

二零零三財政年度扣除銷貨成本後之毛利總額為189,000,000美元（約相等於27.3%之毛利率），相比於二零零二財政年度則為177,000,000美元（約相等於26.6%之毛利率）。為在架構上改善營運效率，該業務持續推行轉移生產及採購工序往生產成本較低國家之策略。於二零零三年，在德國之裝配工序大部份已遷往捷克共和國，有關之重組開支已於二零零二年度賬目中反映。在墨西哥之新裝配廠房相關之重組開支已於二零零三年度賬目中反映。成本得到減省加上DreBo產品具有較高之平均利潤，局部抵銷了銷量下降產生之負面影響。

市場推廣費用

二零零三財政年度之市場推廣費用總額為80,700,000美元，相比於二零零二年則為77,800,000美元，增幅約3.7%，主要歸因於匯率走勢欠佳所致。

行政費用

二零零三財政年度之行政費用總額為40,100,000美元，相比於二零零二年則為33,600,000美元，增幅約19.3%，主要歸因於匯率走勢欠佳、收購DreBo及推行SAP之成本所致。

研究及開發費用

二零零三財政年度之研究及開發費用為20,200,000美元，相比於二零零二財政年度則為21,000,000美元。儘管於二零零三年市場相對疲弱，研究及開發費用並未有因此而縮減。

該業務優先開發新款及經改良之充電式產品（包括改良電池），以因應市場對性能更強大充電式工具之需求。該業務擴展非充電式及充電式工具產品系列，推出一款充電式沖擊式扳手及一系列充電式鑽孔機，以及一款附有樞軸把手之往復式鋸和一款金屬切割環形鋸。

其他營運收入及開支

其他營運收入及開支主要包括營運匯率差額及出售固定資產之資本收益／虧損。截至二零零四年六月三十日止六個月之其他營運收入為300,000美元。

經營溢利

截至二零零四年六月三十日止六個月之經營溢利為23,400,000美元（或約相當於營業額之6.6%），以實際金額及營運利潤率計均較對上年度同期有所增加。營運利潤率提高主要歸因於毛利率上升所致。

財務收入及開支

截至二零零四年六月三十日止六個月之財務開支淨額為3,600,000美元。

稅項

截至二零零四年六月三十日止六個月之稅項開支為9,200,000美元，較對上年度同期有所增加，反映盈利增幅可觀。

純利

截至二零零四年六月三十日止六個月之純利為10,600,000美元。

(b) 截至二零零三年十二月三十一日止年度與截至二零零二年十二月三十一日止年度之比較

市場回顧

於二零零二年下半年度，北美洲市場對專業級電動工具之需求疲弱，此弱勢持續至二零零三年上半年度，至二零零三年下半年度方呈現復甦。歐洲方面，需求連續第三年倒退，尤以德國及北歐地區為然。整體而言，充電式工具之市場需求相對於非充電式工具之市場需求有較佳之改善。

銷售額

二零零三年之營業額為692,700,000美元，相比於二零零二年則為664,500,000美元，增幅約4%。匯率走勢（主要是美元兌歐羅貶值）及於二零零三年四月收購DreBo，抵銷了營業額下跌之影響。

毛利總額

截至二零零四年六月三十日止六個月之扣除銷貨成本後之毛利總額為106,800,000美元(約相等於30.3%之毛利率)。以實際金額及毛利率計算均較對上年度同期有所增加,此乃歸因於訂單量提高、於二零零三年四月收購DreBo、廠房產能使用率及營運效率得到提升所致。後者之提高部份歸因於在捷克啟用之新裝配廠成本遠較德國廠房之成本為低所致。

為改善營運效率,該業務繼續推行轉移生產工序往低生產成本國家之策略,在墨西哥之工具裝配廠已於二零零四年一月啟用。而零部件之採購亦繼續進行優化及提高向低生產成本國家採購之比率。

市場推廣費用

截至二零零四年六月三十日止六個月之市場推廣費用總額為44,200,000美元,較對上年度同期有所增加,主要歸因於匯率走勢欠佳及在歐洲持續進行Milwaukee®及AEG®品牌之市場推廣活動所致。

行政費用

截至二零零四年六月三十日止六個月之行政費用總額為21,700,000美元,較對上年度同期有所增加,主要歸因於匯率走勢欠佳(令行政費用增加約5%)、收購DreBo及推行標準會計計劃相關之成本所致。

研究及開發費用

截至二零零四年六月三十日止六個月之研究及開發費用為11,100,000美元,較對上年度同期有所增加。該業務持續專注開發新款及經改良之充電式工具(包括改良電池),以因應市場對更強性能充電式工具之需求。

商譽攤銷

截至二零零四年六月三十日止六個月之商譽攤銷金額為6,700,000美元,較對上年度同期有所增加。此乃歸因於二零零三年四月收購DreBo,並計算截至二零零四年六月三十日止全期六個月之商譽攤銷,相比於截至二零零三年六月三十日止六個月則僅計算三個月期間之商譽攤銷所致。

董事會函件

下表顯示該業務截至二零零三年十二月三十一日止三個年度及截至二零零四年六月三十日止六個月之經審核綜合營業額及溢利，乃摘錄自附錄三所載之會計師報告：

	截至十二月三十一日止年度			截至二零零四年
	二零零一年	二零零二年	二零零三年	六月三十日
	百萬美元	百萬美元	百萬美元	止六個月 百萬美元
營業額	644.7	664.5	692.7	352.0
除稅前溢利	24.8	26.3	29.7	19.8
本年度／期間純利	11.8	11.7	13.0	10.6

附錄三所載該業務之會計師報告乃按照國際財務報告準則而編製。董事相信根據國際財務報告準則編製該業務之會計師報告與根據香港財務報告準則所編製者並無重大差異。

(a) 截至二零零四年六月三十日止六個月

市場回顧

二零零四年初，在美國經濟持續改善之帶動下，北美洲市場呈現較強增長，其中以工業產品分銷及五金用具渠道之增長尤為強勁。歐洲方面，市場情況仍然呆滯，惟部份歐洲市場已初步呈現復甦跡象。

銷售額

截至二零零四年六月三十日止六個月呈報之銷售額為352,000,000美元，較對上年度同期有所增加，此乃歸因於總銷量增加、匯率走勢向好、收購DreBo及配件銷量增加所致。

該業務在北美洲之工業產品分銷及五金用具渠道呈現強勁增長，而家居用品中心渠道則主要因向Home Depot之供貨量下降而持續呆滯。歐洲方面，部份市場初步呈現經濟復甦跡象，而該業務亦取得一項為大型歐洲工業產品經銷商擔任主要供應商之新合約。銷售額增加亦部份歸因於計入DreBo於截至二零零四六月三十日止全期六個月之業績貢獻，相比於二零零三年同期則僅計入三個月之業績貢獻。此外，DreBo於截至二零零四年六月三十日止三個月期間之銷售額相比於二零零三年度相應期間之銷售額為高。

2. 業務及財務回顧

上市規則附錄十六第2段規定，通函內編列之各組財務報表須真確及公允地反映一家上市發行人將收購之業務、一家或多家公司之財政狀況，以及其營運業績和現金流量，並須最少包含以下部份：

- (1) 資產負債表；
- (2) 收入報表；
- (3) 現金流量表；
- (4) 股東權益變動表；
- (5) 上文(1)至(4)項所述報表於對上年度相應期間之比較數字；及
- (6) 會計政策及說明附註。

本通函附錄三所載該業務之會計師報告涵蓋截至二零零三年十二月三十一日止三個年度及截至二零零四年六月三十日止六個月等期間。換言之，按上市規則附錄十六第2(5)段規定，本通函須列載該業務於截至二零零三年六月三十日止六個月期間之比較數字（「比較數字」）。

該業務乃透過分佈全球之三十二個業務單元經營，其中僅有十個單元為純與該業務之營運相關之獨立單一法定實體。餘下二十二個單元乃屬於其他ATCO集團公司之組成部份。本公司已獲ATCO通知，此二十二個單元之管理賬目並非特定就該業務而編製。因此，如要編製比較數字，將需要因應該等業務單元另行制訂及搜集有關資料。此外，該業務之賬目中須以附註格式披露之資料按照瑞典會計準則乃屬毋須編製之中期資料，因此，該業務並未有予以編製。由於此等資料一般僅限於獨立單一之法定實體方具備之資料，故要以附註格式披露其他業務單元之資料將會非常困難。如要編製比較數字，ATCO將需要動員分佈全球之眾多員工參與大量協調工作，而且要搜集以往未制訂或記錄之資料將對ATCO構成異常繁重之工作負擔。基於二零零三年六月三十日距今已十六個月，ATCO不肯定可以提供編製比較數字所需之一切資料。因此，本公司已申請豁免上市規則附錄十六第2(5)段須列載比較數字之規定。

- (e) 倘若買方違反其任何陳述、保證或責任，因而將令其未能符合履行其責任之條件，而又不能於各重大方面對違反事宜作出補救，或倘若本公司違反其他特定責任，則ATCO可終止協議。

8. 協議完成

該交易預期於所有條件已獲達成或豁免之該個月份最後一個營業日上午十時正（紐約時間）或買方與賣方同意之其他時間及地點完成。

該交易預期於二零零五年三月三十一日或之前完成。

C. 有關該業務之資料

1. 該業務之概略

METCO為重型手提式電動工具及配件之主要生產商及銷售商。該公司設計及銷售超過400款電動工具，由鑽孔機、Sawzall®品牌往復式鋸、環形鋸、研磨機及錘機以至適用於如鑽石鑽探機及Steel Hawg®切割系統等特定用途之工具等，以及超過3,500種配件。METCO大部份產品以具穩固基礎及知名度之Milwaukee®品牌經銷。METCO產品之最終用戶主要為專業技術人員，包括電氣技師、喉管技師、機械承建商、一般承建商、金屬加工商、HVAC／金屬薄板裝配商及加工商、維修保養專業人員、以及市政和公用設施施工人員等。METCO之銷售市場過往以北美洲為主，惟於二零零一及零二年間，該公司於澳洲及歐洲推出Milwaukee®品牌產品。

AET位於德國斯圖加特市附近之Winnenden，負責開發、製造及經銷AEG®及Milwaukee®兩個品牌之優質手提式電動工具及配件。AET之產品透過歐洲、亞洲、澳洲及南非之經銷公司銷售，主要供專業技術人員使用。

AET之同系公司DreBo為應用於混凝土、石工及石材之旋轉式碳化鑽頭之主要生產商。DreBo®產品付運予全球電動工具、配件及扣件之原件設備製造商(OEM)和工業產品及五金用品分銷商，上述所有產品均以客戶本身之品牌銷售。產品之最終用戶為建築公司、石材加固公司和扣件業。

董事會函件

- (b) 獲得美國及德國相關之反壟斷法規批准，或適用之等待期已告屆滿或被終止；
- (c) 按照上市規則之規定該交易已獲股東批准；及
- (d) 賣方須全數償還所有於有關日期尚欠債務並獲解除所有相關之債權負擔（如有），惟經訂約方同意可繼續承擔及已於收購價上反映之債務金額除外。

截至最後實際可行日期，上文(b)項條件已獲達成。

6. 中止交易費

基於ATCO於洽商該交易時所承擔之費用及開支，以及倘若該交易未能進行對其聲譽所構成之潛在損害，本公司已同意倘若該交易於股東特別大會上不獲股東批准，而購股協議在此之前並無根據其條款被終止，則本公司須於股東特別大會舉行日期起計三個營業日內向ATCO支付20,000,000美元（約相當於該業務收購價之3.2%）之中止交易費。董事確認上述中止交易費屬公平及合理，而本公司將會就支付中止交易費（如適用）發出適當公佈。

7. 終止協議

購股協議可於下列情況下予以終止：

- (a) 本公司與ATCO於任何時候雙方書面同意；或
- (b) 倘若該交易於二零零五年三月三十一日或之前仍未完成，本公司或ATCO可於上述日期（或雙方書面同意之較後日期）之後終止協議，惟倘若協議未能完成乃因擬終止協議之訂約一方未能在各主要方面遵守協議內所載之協定及契約條款，則該訂約方不能終止購股協議；或
- (c) 倘若賣方違反購股協議內之任何陳述、保證或責任，因而將令本公司未能符合履行其責任之條件，而又不能對違反事宜及時作出補救，則本公司可終止協議；或
- (d) 倘若(i)發生對該業務構成重大不利影響之事件或(ii)出現任何其他事件或條件，因而將有礙本公司符合履行其責任之條件，則本公司可終止協議；或

4. 收購價

該業務之收購價將於該交易完成時以現金支付，金額為626,600,000美元（約4,887,300,000港元）（包括調整前收購價712,800,000美元（約5,559,600,000港元）減去有關若干間出售公司之部份應計及未撥款支付退休後福利及就相關之遞延資產賬和若干應計項目作出調整之協定完成前調整金額86,200,000美元（約672,300,000港元））。收購價乃根據出售公司並無債務或現金及其有形資產淨值（其中並不包括現金及協定前調整金額在內）為285,000,000美元（約2,222,900,000港元）之基準計算。倘若上述協定完成賬目所示該業務之有形資產淨值低於285,000,000美元（約2,222,900,000港元），收購價將會按不足金額予以遞減。倘若上述協定完成賬目所示該業務之有形資產淨值高於285,000,000美元（約2,222,900,000港元），收購價將會按多出金額予以遞增。該業務於二零零四年六月三十日根據國際財務報告準則計算之有形資產淨值為292,000,000美元（約2,277,500,000港元）。於該交易完成後之九十日內，買方將會按照瑞典公認會計原則編製該業務之最終完成賬目。待最終完成賬目經訂約方同意後（或倘若未能於指定時間內達成協議則由一國際認可之獨立執業會計師行釐訂），任何對收購價必需作出之調整金額須於交付最終完成賬目後之三個營業日內支付。此外，於該交易完成後之五個營業日內，買方將會向賣方償付於協議完成時該業務所實際包含之現金，金額預計不超過37,000,000美元（約288,600,000港元）。

該業務之收購價乃基於多項因素，包括該業務在全球之市場佔有率、具穩固基礎及知名度之品牌、盈利潛力及增長前景等，經公平磋商後釐訂。董事相信該交易之條款屬公平及合理而且符合股東之整體利益。

本公司將從內部資源及可運用之銀行借貸支付該交易之收購價。

5. 條件

購股協議須待包括下列各項在內之條件獲達成或豁免，方可作實：

- (a) 買方或賣方並無違反彼等各自之任何陳述、保證或契約條款，惟整體上對該業務不大可能會構成重大不利影響之違反陳述、保證及契約條款事宜除外；

董事會函件

於二零零四年九月二十日、二零零四年十月十一日及二零零四年十一月一日，本公司宣佈需要較多時間以搜集和整理若干資料，包括將載於本通函內根據國際財務報告準則編製該業務之會計師報告，從而符合上市規則之披露規定，本通函因而延期寄發。

根據上市規則第14.06(3)條，該交易構成本公司之主要交易，因此須於股東特別大會上獲股東批准。

本通函旨在向閣下提供有關該交易、本公司、該業務及擴大後集團之進一步資料，以及向閣下發出股東特別大會通告，於會上將提呈並酌情通過一項普通決議案以批准該交易。

B. 購股協議

以下為購股協議之主要條款概要。

1. 訂立協議日期

購股協議之訂立日期為二零零四年八月二十八日。

2. 訂約方

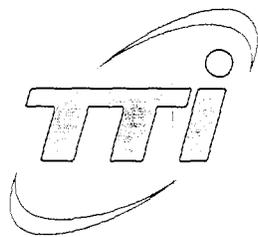
(a) ATCO、ACNA及ATHG為賣方；及

(b) 本公司及下列本公司之直接及間接附屬公司：RTG、TTINA、TTI GmbH、Techtronic Industries Asia Holdings (BVI)、Techtronic Industries NAFTA Holdings及A&M Industries S.a.r.l.，以及本公司於該交易完成時或之前可指定購入該業務或其中任何部份業務之其他附屬公司及實體為買方。

據董事經作出一切合理查詢後所知及確信，賣方及彼等之最終實益擁有人均為與本公司和本公司及其附屬公司之各董事、主要行政人員或主要股東及彼等各自之聯繫人士（定義見上市規則）並無關連之獨立人士。

3. 所收購之資產

買方將向賣方購入出售公司之全部已發行在外股份。出售公司之進一步資料載於本通函附錄五。



創科實業有限公司

(於香港註冊成立之有限公司)

(股份代號：669)

集團執行董事：

Horst Julius Pudwill先生

(主席兼行政總裁)

鍾志平先生

(董事總經理)

陳建華先生

陳志聰先生

浦上彰夫博士

註冊辦事處：

香港

新界

荃灣

青山道388號

中國染廠大廈

24樓

非執行董事：

張定球先生

獨立非執行董事：

Joel Arthur Schleicher先生

Christopher Patrick Langley先生

Manfred Kuhlmann先生

敬啟者：

主要交易

建議收購

Atlas Copco AB 旗下

Milwaukee®、AEG® 及 DreBo® 電動工具

及配件業務公司

A. 緒言

於二零零四年八月三十日，董事會宣佈本公司已於二零零四年八月二十八日訂立購股協議，向賣方購入出售公司之全部已發行在外股份，出售公司合組成ATCO旗下現時以「Milwaukee®」、「AEG®」及「DreBo®」等品牌經營之電動工具及配件業務。

釋 義

「TTINA」	指	Techtronic Industries North America, Inc.，其為位於美國特拉華州本公司之全資附屬公司
「UBS Investment Bank」	指	UBS AG香港分行，根據證券及期貨條例被視為屬於經營證券及期貨條例所界定之第1類（證券買賣）、第4類（證券顧問）、第6類（企業融資顧問）及第9類（資產管理）監管業務之註冊法團，並就該交易擔任本公司之財務顧問
「美元」	指	美元，美國法定幣值
「美國」	指	美利堅合眾國

除另有註明者外，本通函內之財務資料乃按照下列於二零零四年八月二十七日之適用兌換率折算為港元。上述折算僅為便於參閱之用，不應視之為表示有關款額經已按照或可以按照以下兌換率或任何其他兌換率折算為港元。

1.00美元	:	7.7997港元
1.00瑞典克朗	:	1.0270港元

釋 義

「證券及期貨條例」	指	證券及期貨條例(香港法例第571章)
「股東」	指	股份持有人
「股份」	指	本公司股本中每股面值0.10港元之普通股
「購股權」	指	根據現有計劃及已終止計劃賦予其持有人可合共認購74,451,000股新股份之74,451,000份已授出而尚未行使之購股權
「出售公司」	指	附錄五內所列合組成該業務之公司，包括Esstar Incorporated(METCO之控股公司)、AET及DreBo，以及相關之營運和控股公司連同其各自之附屬公司
「聯交所」	指	香港聯合交易所有限公司
「購股協議」	指	賣方與買方於二零零四年八月二十八日就該交易訂立之有條件購股協議
「創科集團」	指	本公司及其附屬公司
「已終止計劃」	指	本公司於二零零一年五月二十五日採納並於二零零二年三月二十八日終止之僱員購股權計劃
「該交易」	指	買方建議依據購股協議向賣方購入各間出售公司之全部已發行在外股份

釋 義

「最後實際可行日期」	指	二零零四年十一月十九日，即本通函付印前確定本通函所載若干資料之最後實際可行日期
「上市規則」	指	聯交所證券上市規則
「METCO」	指	Milwaukee Electric Tool Corporation，位於美國特拉華州之公司，現為ATCO之全資附屬公司，而於該交易完成時則會成為本公司之全資附屬公司
「訂約方」	指	購股協議之訂約方，即買方和賣方
「中國」	指	中華人民共和國（就本通函而言不包括香港、澳門及台灣）
「買方」	指	本公司及下列本公司之直接及間接附屬公司：RTG、TTINA、TTI GmbH、Techtronic Industries Asia Holdings (BVI)、Techtronic Industries NAFTA Holdings及A&M Industries S.a.r.l.，以及本公司於該交易完成時或之前可指定購入該業務或其中任何部份業務之其他附屬公司及實體
「RTG」	指	Ryobi Technologies GmbH，根據德國法例成立之公司，為本公司之全資附屬公司
「瑞典克朗」	指	瑞典克朗，瑞典法定幣值
「賣方」	指	ATCO、ACNA及ATHG

釋 義

「可換股債券」	指	本公司發行於二零零九年到期總本金額為140,000,000美元(約1,092,000,000港元)之零息可換股債券
「董事」	指	本公司之董事
「DreBo」	指	DreBo Werkzeugfabrik GmbH，根據德國法例成立之公司，現為ATCO之全資附屬公司，而於該交易完成時則會成為本公司之全資附屬公司
「股東特別大會」	指	董事會謹訂於二零零五年一月三日上午十時正假座香港中環干諾道中3號香港麗嘉酒店海景廳舉行為提呈並酌情通過有關批准該交易之普通決議案而召開之股東特別大會(或任何續會)
「擴大後集團」	指	緊隨該交易完成後之創科集團
「歐羅」	指	歐羅，歐洲聯盟法定幣值
「現有計劃」	指	本公司於二零零二年三月二十八日採納之僱員購股權計劃
「公認會計原則」	指	公認會計原則
「香港財務報告準則」	指	香港財務報告準則
「港元」	指	港幣元，香港法定幣值
「香港」	指	中華人民共和國香港特別行政區
「國際財務報告準則」	指	國際財務報告準則

釋 義

本通函內，除文義另有所指外，下列詞彙具以下涵義：

「ACNA」	指	Atlas Copco North America Inc.，其為位於美國特拉華州ATCO之全資附屬公司
「AET」	指	Atlas Copco Electric Tools GmbH，根據德國法例成立之公司，現為ATCO之全資附屬公司，而於該交易完成時則會成為本公司之全資附屬公司
「ATCO」	指	Atlas Copco AB，根據瑞典法例成立之公司，其股份在斯德哥爾摩、倫敦及法蘭克福證券交易所上市
「ATHG」	指	Atlas Copco Holding GmbH，根據德國法例成立之公司，為ATCO之全資附屬公司
「董事會」	指	本公司之董事會
「該業務」	指	ATCO 旗下之電動工具及配件業務，現時以「Milwaukee®」、「AEG®」及「DreBo®」等品牌透過METCO及AET和ATCO旗下若干其他附屬實體經營
「營業日」	指	除星期六、星期日或其他法例規定或允許在美國紐約之銀行休息日以外之任何一日
「本公司」	指	創科實業有限公司，於香港註冊成立之公眾股份有限公司，其股份在聯交所上市

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此 乃 重 要 通 函 謹 請 立 即 處 理

閣下如對本通函之內容或應辦理之手續有任何疑問，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。

閣下如已售出或轉讓名下所有創科實業有限公司之股份，應立即將本通函連同隨附之代表委任表格送交買主或承讓人，或送交經手買賣或辦理轉讓之銀行、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。



創 科 實 業 有 限 公 司

(於香港註冊成立之有限公司)

(股份代號：669)

主 要 交 易

建 議 收 購

ATLAS COPCO AB 旗 下

MILWAUKEE®、AEG® 及 DREBO® 電 動 工 具
及 配 件 業 務 公 司

本 公 司 之 財 務 顧 問



董事會(定義見本通函)函件載於本通函第1頁至第20頁。

創科實業有限公司謹訂於二零零五年一月三日上午十時正假座香港中環干諾道中3號香港麗嘉酒店海景廳舉行股東特別大會，大會通告載於本通函第133頁至第134頁。無論閣下能否出席大會，務請按照隨附之代表委任表格上印列之指示填妥該表格並盡快交回創科實業有限公司之註冊辦事處，地址為香港新界荃灣青山道388號中國染廠大廈24樓，惟無論如何最遲須於大會或任何續會(視情況而定)指定舉行時間四十八小時前交回。閣下填妥及交回代表委任表格後，屆時仍可親身出席大會或任何續會(視情況而定)並於會上投票。

二 零 零 四 年 十 一 月 二 十 三 日