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MATRIX
MATRIX HOLDINGS LIMITED
美力時集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1005)

MAJOR TRANSACTION

PROPOSED ACQUISITION OF THE SHELCORE GROUP

AND

RESUMPTION OF TRADING

Financial adviser to Matrix Holdings Limited



Quam Capital Limited

THE ACQUISITION

On 16 November 2004, Maxguard, an indirect wholly-owned subsidiary of the Company, entered into the Asset Purchase Agreement with, amongst others, Shelcore US and Shelcore HK to acquire certain assets of Shelcore US and Shelcore HK. On the same day, Keysuccess, an indirect wholly-owned subsidiary of the Company, entered into the Share Acquisition Agreement with, amongst others, the Vendors pursuant to which Keysuccess agreed to acquire and the Vendors agreed to sell the entire issued share capital of each of the Shelcore Companies. The total consideration for the Acquisition payable in aggregate by the Group is US\$8.5 million (equivalent to approximately HK\$66.3 million). The Company intends to use its internal resources to finance the Acquisition.

The Shelcore Group is principally engaged in the design, manufacturing and sale of plastic toys for infant and pre-school children. Its products are sold worldwide under its own brand name "Shelcore Toys" and also under private label for various customers.

The Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is conditional on approval by Shareholders. Written approval of the Acquisition has been obtained from Suncorp, which holds approximately 67.4% of the entire issued share capital of the Company as at the date of this announcement. Suncorp and its ultimate beneficial owner are not interested parties in the Acquisition and their interests in the Acquisition are no different from the other Shareholders. Therefore, it is not required to abstain from voting if the Company was to convene a general meeting for the approval of the Acquisition. As such, pursuant to Rule 14.44 of the Listing Rules, the written approval provided by Suncorp constitutes a valid approval of the Acquisition and the Company will not be required to convene a physical meeting to approve the Acquisition.

GENERAL

A circular containing, amongst other things, details of the Acquisition will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING OF THE SHARES

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 17 November 2004 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 19 November 2004.

THE ACQUISITION

On 16 November 2004, Maxguard, an indirect wholly-owned subsidiary of the Company, entered into the Asset Purchase Agreement with, amongst others, Shelcore US and Shelcore HK to acquire certain assets of Shelcore US and Shelcore HK. As there are no material assets under Shelcore UK and Shelcore Canada, there is no arrangement similar to that for Shelcore US and Shelcore HK. On the same date, Keysuccess, an indirect wholly-owned subsidiary of the Company, entered into the Share Acquisition Agreement with, amongst others, the Vendors pursuant to which Keysuccess agreed to acquire and the Vendors agreed to sell the entire issued share capital of each of the Shelcore Companies.

To the best of the Directors' knowledge, all of the vendors and warrantors under the Asset Purchase Agreement and the Share Acquisition Agreement and their ultimate beneficial owners are third parties independent of the Company and of any connected persons of the Company as defined under the Listing Rules.

The total consideration for the Acquisition payable by the Group is US\$8.5 million (equivalent to approximately HK\$66.3 million). The Company intends to use its internal resources to finance the Acquisition.

The consideration has been arrived at after arm's length negotiations amongst the Company, Shelcore US, Shelcore HK and the Vendors. The Directors have taken into consideration, amongst other things, the unaudited adjusted combined net asset value (assuming a combined cash and bank balances and marketable securities of US\$0.5 million (equivalent to approximately HK\$3.9 million)) of the Shelcore Group (which includes the assets set out under the Asset Purchase Agreement) as at 31

July 2004 of approximately US\$9.5 million (equivalent to approximately HK\$74.1 million). Pursuant to the Share Acquisition Agreement, the Shelcore Group is allowed to dispose of the marketable securities held by it and declare and pay any dividends to their shareholders prior to the completion date of the Share Acquisition Agreement, provided that such payment shall not result in the aggregate amount of cash and bank balances held by the Shelcore Group becoming less than US\$0.5 million (equivalent to approximately HK\$3.9 million) as at the completion date of the Share Acquisition Agreement.

A. THE ASSET PURCHASE AGREEMENT

Date

16 November 2004

Parties

- (a) Maxguard as the purchaser;
- (b) the Company as the warrantor for the purchaser;
- (c) Shelcore US and Shelcore HK as the vendors; and
- (d) Richard Jason Greenberg, Michael Adam Greenberg and the Will Trusts as the warrantors for the vendors.

Assets to be acquired

Computers, software, list of customers, intellectual property rights, intellectual properties and goodwill of Shelcore US and Shelcore HK.

Consideration

US\$1.1 million (equivalent to approximately HK\$8.6 million) was determined with reference to the net book value and the market value of the Assets.

Payment arrangement

The consideration for the Assets shall be satisfied in the following manner:

- Upon the signing of the Asset Purchase Agreement, a deposit of US\$165,000 (equivalent to approximately HK\$1.3 million) was paid to an escrow agent who holds the deposit as stakeholder for the purchaser and the vendors under the Asset Purchase Agreement.
- On the completion date of the Asset Purchase Agreement, the deposit of US\$165,000 (equivalent to approximately HK\$1.3 million) and the balance of the consideration of US\$935,000 (equivalent to approximately HK\$7.3 million) shall be released and paid to the vendors by the escrow agent and the purchaser respectively.

Conditions

- (a) The obligation of Shelcore US and Shelcore HK to consummate the transactions contemplated under the Asset Purchase Agreement are conditional upon the satisfaction of the following conditions:
- (i) Maxguard's warranties set forth in the Asset Purchase Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the Asset Purchase Agreement and as of the completion date of the Asset Purchase Agreement and as if given at all times between the signing date of the Asset Purchase Agreement and the completion date of the Asset Purchase Agreement;
 - (ii) each of the Company and Maxguard having complied fully with the obligations as stated in the Asset Purchase Agreement and otherwise having performed, in all material respects, all of the covenants and agreements required to be performed by it under the Asset Purchase Agreement on or prior to the completion date of the Asset Purchase Agreement;
 - (iii) all necessary consents required to be given by the third parties to Maxguard for the consummation by Maxguard under the Asset Purchase Agreement have been granted and being in full force and effect for the sale and purchase of the Assets, if applicable;
 - (iv) no bona fide investigation, action, suit, injunction, order or proceedings being in effect, pending or genuinely threatened as of the completion date of the Asset Purchase Agreement; and
 - (v) all conditions precedent to the obligations of the Vendors under the Share Acquisition Agreement (other than the condition that requiring completion of the Asset Purchase Agreement having occurred) to consummate the transactions contemplated under the Share Acquisition Agreement having been fulfilled or waived in accordance with the terms and conditions thereof.

(The above conditions are referred to as the "APA Vendors' Conditions".)

- (b) The obligation of Maxguard to consummate the transactions contemplated under the Asset Purchase Agreement is conditional upon the satisfaction of the following conditions:
- (i) the warranties of Shelcore US and Shelcore HK set forth in the Asset Purchase Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the Asset Purchase Agreement and as of the completion date of the Asset Purchase Agreement and as if given at all times between the date of Asset Purchase Agreement and the completion date of the Asset Purchase Agreement;

- (ii) Shelcore US, Shelcore HK, Michael Adam Greenberg, Richard Jason Greenberg and the Will Trusts having complied fully with the obligations set out in the Asset Purchase Agreement in all material respects and otherwise having performed, in all material respects, all of the covenants and agreements required to be performed by them under the Asset Purchase Agreement on or prior to the completion date of the Asset Purchase Agreement;
- (iii) all necessary consents required to be given by third parties to Shelcore US and Shelcore HK for the consummation by Shelcore US and Shelcore HK under the Asset Purchase Agreement having been granted, and being in full force and effect, for the sale and purchase of the Assets;
- (iv) no bona fide investigation, action, suit, injunction, order or proceedings being in effect, pending or genuinely threatened as of the completion date of the Asset Purchase Agreement;
- (v) all conditions precedent to the obligation of Keysuccess to consummate the transactions contemplated under the Share Acquisition Agreement (other than the condition that requiring completion of the Asset Purchase Agreement having occurred) having been fulfilled or waived in accordance with the terms and conditions thereof;
- (vi) during the period from the date of the Asset Purchase Agreement to the completion date of the Asset Purchase Agreement, there not having occurred and there not being in existence any Material Adverse Effect; and
- (vii) the Superior Court of New Jersey having issued a final written order granting its approval in relation to the transactions contemplated under the Asset Purchase Agreement and the Share Acquisition Agreement.

(The above conditions are referred to as the “APA Purchaser’s Conditions”.)

Shelcore US and Shelcore HK may waive any or all of the APA Vendors’ Conditions. Maxguard may waive any or all of the APA Purchaser’s Conditions except condition (b)(vii) above.

Completion

Completion of the Asset Purchase Agreement shall take place on the second business day upon the satisfaction or waiver of all APA Purchaser’s Conditions and APA Vendors’ Conditions but in any event no later than 14 February 2005 (except when non-fulfillment of APA Purchaser’s Conditions or APA Vendors’ Conditions are agreed to be remedied, then such date can be replaced by 14 March 2005) or at such other date as the parties may mutually agree upon in writing.

B. THE SHARE ACQUISITION AGREEMENT

Date

16 November 2004

Parties

- (a) Keysuccess as the purchaser;
- (b) the Company as the warrantor for the purchaser;
- (c) the Vendors as the vendors; and
- (d) Richard Jason Greenberg, Michael Adam Greenberg, the Trustees and the Will Trusts as the warrantors for the Vendors.

Shares to be acquired

The entire issued share capital of each of the Shelcore Companies.

Consideration

US\$7.4 million (equivalent to approximately HK\$57.7 million).

Payment arrangement

The consideration for the entire issued share capital of each of the Shelcore Companies shall be satisfied in the following manner:

- (a) a deposit of US\$1.11 million (equivalent to approximately HK\$8.7 million) was paid to an escrow agent upon signing of the Share Acquisition Agreement;
- (b) US\$5.79 million (equivalent to approximately HK\$45.2 million) and the deposit of US\$1.11 million (equivalent to approximately HK\$8.7 million) shall be paid and released to the Vendors on the completion date of the Share Acquisition Agreement by Keysuccess and the escrow agent respectively; and
- (c) the remaining balance of US\$0.5 million (equivalent to approximately HK\$3.9 million) shall be paid to an escrow agent as the Retained Consideration on the completion date of the Share Acquisition Agreement.

The Retained Consideration will be held and administered by the escrow agent for a period commencing from the completion date of the Share Acquisition Agreement and ending five business days after the combined audited financial statements of the Shelcore Companies for the accounting period ending 31 December 2004 have been made available to the Company, Keysuccess and the Vendors or, if there is any dispute on the part of the Company, Keysuccess or the Vendors in respect of such audited financial statement, five business days after such dispute is resolved in accordance to the terms under the consideration adjustment mechanism. The escrow agent shall, upon the expiration of the escrow period and provided that there are no outstanding or unresolved claim by Keysuccess pursuant to the Share Acquisition Agreement, pay to the Vendors the amount held in the escrow account.

Consideration adjustment mechanism

The consideration shall be subject to downward adjustment if any of the following events occurs:

- (a) if the combined audited net asset value of the Shelcore Companies as of 31 December 2004 shall be less than US\$10.95 million (equivalent to approximately HK\$85.4 million), the consideration shall be reduced on a dollar-for-dollar basis by an amount equal to the shortfall difference between US\$10.95 million (equivalent to approximately HK\$85.4 million) and such audited net asset value; or
- (b) if the combined audited net profit of the Shelcore Companies as of 31 December 2004 shall be less than zero, the consideration shall be reduced on a dollar-for-dollar basis by an amount equal to such amount of consolidated net loss; or
- (c) if the combined audited turnover of the Shelcore Companies as of 31 December 2004 shall be less than US\$34.2 million (equivalent to approximately HK\$266.8 million), the consideration shall be reduced by an amount equal to the entire Retained Consideration,

provided that the aggregate adjustment made pursuant to the above circumstances shall not exceed the Retained Consideration.

Conditions

- (a) The obligation of the Vendors to consummate the transactions contemplated under the Share Acquisition Agreement are conditional upon the satisfaction of the following conditions:
 - (i) Keysuccess's warranties remaining true and accurate and not misleading in any material respects as given as of the date of the Share Acquisition Agreement and as of the completion date of the Share Acquisition Agreement and as if given at all times between the date of the Share Acquisition Agreement and the completion date of the Share Acquisition Agreement;
 - (ii) each of the Company and Keysuccess having performed, in all material respects, all of the covenants and agreements required to be performed by it under the Share Acquisition Agreement on or prior to the completion date of the Share Acquisition Agreement;
 - (iii) all necessary consents required to be given by the third parties to Keysuccess for the consummation by Keysuccess of the transaction contemplated under the Share Acquisition Agreement having been granted and being in full force and effect for the sale and purchase of the entire issued share capital of each of the Shelcore Companies, if applicable;
 - (iv) no bona fide investigation, action, suit, injunction, order or proceedings being in effect, pending or genuinely threatened as of the completion date of the Share Acquisition Agreement;

- (v) the transactions contemplated in the Share Acquisition Agreement and the Asset Purchase Agreement having been approved by the Shareholders in accordance with the applicable requirements under the Listing Rules;
- (vi) the completion contemplated by the Asset Purchase Agreement having occurred; and
- (vii) the unconditional and irrevocable undertaking duly executed by Suncorp and Mr. Cheng Yung Pun, the sole shareholder of Suncorp, to exercise all voting rights in the capacity as a shareholder of the Company in favour of the respective resolutions having been delivered to the Vendors.

(The above conditions are referred to as the “SAA Vendors’ Conditions”).)

- (b) The obligations of Keysuccess to consummate the transactions contemplated under the Share Acquisition Agreement are conditional upon the satisfaction of the following conditions:
 - (i) the Vendors’ warranties remaining true and accurate and not misleading in any material respects as given as of the date of the Share Acquisition Agreement and as of the completion date of the Share Acquisition Agreement and as if given at all times between the date of the Share Acquisition Agreement and the completion date of the Share Acquisition Agreement;
 - (ii) each of the Vendors having complied fully with the obligations specified in the Share Acquisition Agreement in all material respects and otherwise having performed, in all material respects, all of the covenants and agreements required to be performed by it under the Share Acquisition Agreement on or prior to the completion date of the Share Acquisition Agreement;
 - (iii) all necessary consents required to be given by third parties to the Vendors for the consummation by the Vendors under the Share Acquisition Agreement having been granted and being in full force and effect for the sale and purchase of the entire issued share capital of each of the Shelcore Companies;
 - (iv) no bona fide investigation, action, suit, injunction, order or proceedings being in effect, pending or genuinely threatened as of the completion date of the Share Acquisition Agreement;
 - (v) the completion contemplated by the Asset Purchase Agreement having occurred;
 - (vi) during the period from the date of the Share Acquisition Agreement to the completion date of Share Acquisition Agreement, there not having occurred and there not being in existence on the completion date of the Share Acquisition Agreement, any Material Adverse Effect;

- (vii) each of the beneficiaries of the Estate of Sheldon Greenberg having given its approval to the consummation by the Vendors, the Trustees and the Will Trusts of the transactions contemplated under the Share Acquisition Agreement;
- (viii) the Superior Court of New Jersey having issued a final written order granting its approval in relation to the transactions contemplated under the Asset Purchase Agreement and the Share Acquisition Agreement;
- (ix) the Vendors having delivered to Keysuccess a legal opinion pursuant to which the Will Trusts or any of them have been established or are subject, confirming that the Share Acquisition Agreement constitute valid and binding obligations on each of the Will Trusts and Trustees and are enforceable against it and no approval, authorisation or other action by, or filing with, any government authority of the United States of America or the State of New Jersey is required in connection with the execution and delivery;
- (x) a written release from the relevant shareholders of the relevant members of the Shelcore Group confirming that all outstanding shareholders loans of all members of the Shelcore Group have been fully repaid.

(The above conditions are referred to as the “SAA Purchaser’s Conditions”.)

The Vendors may waive any or all of the SAA Vendors’ Conditions except (a)(v). Keysuccess may waive any or all of the SAA Purchaser’s Conditions except (b)(viii).

Completion

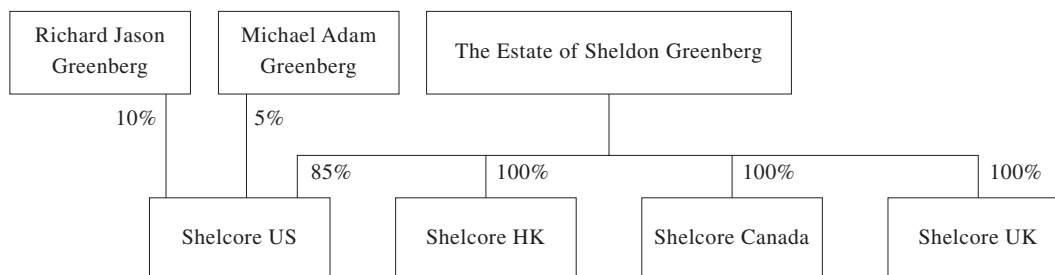
Completion of the Share Acquisition Agreement shall take place on the business day immediately following the day on which all SAA Purchaser’s Conditions and SAA Vendors’ Conditions are satisfied or waived, but in any event no later than 14 February 2005 (except when non-fulfillment of SAA Purchaser’s Conditions or SAA Vendors’ Conditions are to be remedied, then such date can be replaced by 14 March 2005) or at such other date as the parties may mutually agree upon in writing.

In the event that any of the conditions of the Asset Purchase Agreement or the Share Acquisition Agreement remain unfulfilled or not waived, the Company will issue a further announcement setting out the cause of action to be taken by the parties to the Asset Purchase Agreement and the Share Acquisition Agreement accordingly.

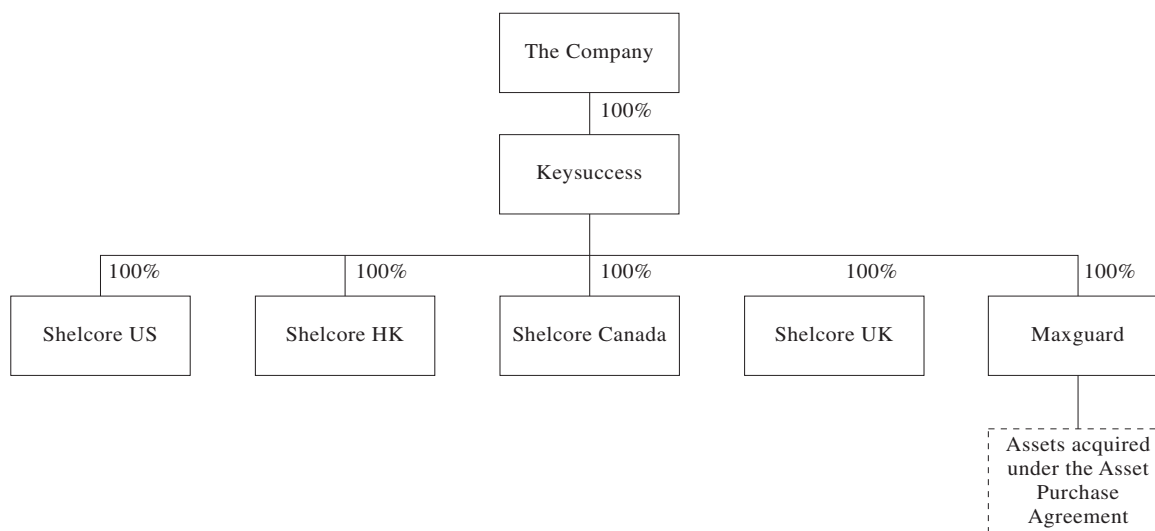
SHAREHOLDING STRUCTURE OF THE SHELCORE COMPANIES

Set out below are the simplified shareholding structures of the Shelcore Companies prior to and immediately following the Acquisition.

Shareholding structure immediately before the Acquisition



Shareholding structure immediately following the Acquisition



INFORMATION ABOUT THE GROUP

The Group is principally engaged in the manufacturing of plastic, die-cast and plush toys. The major market of the Group is the United States.

INFORMATION ABOUT THE SHELCORE GROUP

Shelcore US, the head office of the Shelcore Group, was founded in New Jersey, the United States in 1975. The Shelcore Group is principally engaged in the design, manufacturing and sale of plastic toys for infant and pre-school children. Its products are sold under its own brand name “Shelcore Toys” and also under private label for various customers.

The majority of the Shelcore Group’s customers are located in the United States. Based on the information available to the Group, the Shelcore Group also sells its products in 64 countries through an extensive global distribution network.

The Shelcore Group's production facilities occupy a site area of approximately 280,000 square feet in Shenzhen, the PRC. The production facilities achieved ISO 9002 certification in 1998. The Shelcore Group out-sources excess production to other manufacturers during peak seasons. The Shelcore Group currently employs about 1,000 staff.

Based on the unaudited combined management accounts of the Shelcore Group for the year ended 31 December 2003, the unaudited loss before taxation and after taxation of the Shelcore Group was approximately US\$2.1 million (equivalent to approximately HK\$16.4 million) and US\$2.2 million (equivalent to approximately HK\$17.2 million) respectively. It is noted that the loss was mainly attributed from the fall in sales due to an internal administration matter suffered by one of Shelcore Group's major customers, which the Company considers as a one-off event that occurred during the financial year ended 31 December 2003. For the year ended 31 December 2002, the unaudited profit before taxation and after taxation of the Shelcore Group was approximately US\$2.4 million (equivalent to approximately HK\$18.7 million) and US\$2.6 million (equivalent to approximately HK\$20.3 million) respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Shelcore Group has established a worldwide reputation over the last thirty years as a well known and trusted brand in the preschool, infant, juvenile, and seasonal toy markets. The Acquisition will therefore expand considerably the product range and design capability of the Group thereby broadening the Group's revenue source and customer base. In particular the Acquisition is expected to help further develop the Group's market position and distribution network in the United States.

Consistent with the acquisition strategy of the Group as set out in the 2004 interim report, the Board believes that the Group's operations and development will benefit from the Acquisition.

Based on the above, the Board (including the independent non-executive directors) is of the view that the terms of the Acquisition are fair and reasonable and in the interests of both the Company and the Shareholders.

IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes a major transaction of the Company under the Listing Rules and must be made conditional on approval by the Shareholders.

Written approval of the Acquisition has been obtained from Suncorp, which holds approximately 67.4% of the entire issued share capital of the Company as at the date of this announcement. Suncorp and its ultimate beneficial owner are not interested parties in the Acquisition and their interests in the Acquisition are no different from the other Shareholders. Therefore, it is not required to abstain from voting if the Company was to convene a general meeting for the approval of the Acquisition. As such, pursuant to Rule 14.44 of the Listing Rules, the written approval provided by Suncorp constitutes a valid approval of the Acquisition and the Company will not be required to convene a physical meeting to approve the Acquisition.

A circular containing, among other things, details of the Acquisition will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING OF THE SHARES

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 17 November 2004 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 19 November 2004.

GENERAL

As at the date of this announcement, the Board comprises Mr. Cheng Yung Pun, Mr. Yu Sui Chuen and Ms. Cheng Wing See, Nathalie as executive Directors and Messrs. Loke Yu alias Loke Hoi Lam, Wan Hing Pui and Mak Shiu Chung, Godfrey as independent non-executive Directors.

DEFINITIONS

“Acquisition”	the proposed transactions contemplated under the Asset Purchase Agreement and the Share Acquisition Agreement
“Assets”	the assets to be acquired under the Asset Purchase Agreement
“Asset Purchase Agreement”	the conditional asset purchase agreement dated 16 November 2004 entered into amongst Maxguard, Shelcore US, Shelcore HK and warrantors relating to the acquisition of certain assets of Shelcore US and Shelcore HK, as further described in this announcement
“Board”	the board of Directors
“Company”	Matrix Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ISO”	International Organisation for Standardisation

“Keysuccess”	Keysuccess International Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly wholly-owned by the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Effect”	any fact, event or development that, individually or when taken together with any other fact, event, or development, has a material adverse effect on the business (as currently conducted or contemplated to be conducted after completion of the Share Acquisition Agreement and Asset Purchase Agreement), operations, financial conditions, assets or liabilities of any member of the Shelcore Group (it being understood and agreed that the phrase “material adverse effect” when used with respect to business, operations, financial conditions, asset or liabilities shall mean such material adverse effect that causes or will cause the net asset value of the Shelcore Group as shown in the management accounts of the Shelcore Group as at the close of the calendar month immediately preceding the thirty-fifth day prior to the completion date of the Share Acquisition Agreement and Asset Purchase Agreement to be less than 80% of such net asset value of the Shelcore Group as shown in the management accounts of the Shelcore Group as at 31 July 2004). The unaudited net asset value of the Shelcore Group was approximately US\$9.5 million (equivalent to approximately HK\$74.1 million) as at 31 July 2004
“Maxguard”	Maxguard Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Keysuccess
“PRC”	the People’s Republic of China
“Retained Consideration”	the remaining balance of the consideration of US\$0.5 million (equivalent to approximately HK\$3.9 million) to be held and administered by an escrow agent pursuant to the Share Acquisition Agreement
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Acquisition Agreement”	the conditional sale and purchase agreement dated 16 November 2004 among Keysuccess, the Vendors and warrantors, relating to the acquisition of the entire issued share capital of each of the Shelcore Companies

“Shareholder(s)”	the holder(s) of the Shares
“Shelcore Canada”	Shelcore Canada Ltd., a company incorporated in Ontario, Canada and wholly-owned by the Estate of Sheldon Greenberg
“Shelcore Companies”	Shelcore US, Shelcore Canada, Shelcore UK and Shelcore HK
“Shelcore Group”	the Shelcore Companies and their subsidiaries
“Shelcore HK”	Shelcore Hong Kong Limited, a company incorporated in Hong Kong and is wholly-owned by the Estate of Sheldon Greenberg
“Shelcore UK”	Shelcore UK Limited, a company incorporated in the United Kingdom and is wholly-owned by the Estate of Sheldon Greenberg
“Shelcore US”	Shelcore, Inc., a company incorporated under the laws of the State of New Jersey, the United States of America and is owned as to 85%, 15% and 5% by the Estate of Sheldon Greenberg, Richard Jason Greenberg and Michael Adam Greenberg respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suncorp”	Suncorp Investments Group Limited, which is beneficially owned by Mr. Cheng Yung Pun, the Chairman of the Company, is the controlling Shareholder holding approximately 67.4% of the issued share capital of the Company
“Trustees”	Richard Jason Greenberg and Edward Rosenthal, solely in their respective capacities as co-trustees of each of the Will Trusts
“Will Trusts”	collectively, the trusts formed by the last will of Sheldon Greenberg of which Richard Jason Greenberg; Michael Adam Greenberg; James Greenberg and Robertson D Greenberg are the beneficiaries of the corresponding trust and the trustees are duly appointed trustees of such trusts
“US\$”	United States dollar(s), the lawful currency of the United States, and the exchange rate for the purpose of this announcement is US\$1 = HK\$7.8

“Vendors”

Richard Jason Greenberg, Michael Adam Greenberg
and the Estate of Sheldon Greenberg

“%”

per cent

By Order of the Board
Cheng Yung Pun
Chairman

Hong Kong, 18 November 2004

* *For identification purpose only*

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