

董事會提呈截至二零零二年三月三十一日止年度之年報及經審核之財務報表。

The Board of Directors submit their report and audited financial statements for the year ended 31 March 2002.

主要業務

本公司為一家投資控股公司。其附屬公司及聯營公司之主要業務分別載於財務報表附註15及16。

PRINCIPAL ACTIVITY

The Company acts as an investment holding company. The principal activities of its subsidiaries and associate are set out in notes 15 and 16 respectively to the financial statements.

業績及股息

本集團截至二零零二年三月三十一日止年度之業績載於第25頁之綜合損益賬中。

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2002 are set out in the consolidated income statement on page 25.

董事會建議不派發股息。

The Board of Directors does not recommend the payment of a dividend.

財務摘要

本集團截至二零零二年三月三十一日止五個財政年度之業績、資產及負債之概要載於本年報之第77及78頁。

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years ended 31 March 2002 is set out on pages 77 and 78 of the annual report.

固定資產

本年度內本集團及本公司之固定資產之重大變動詳情分別載於財務報表附註13及14。

FIXED ASSETS

Details of significant changes in the fixed assets of the Group and the Company during the year are set out in notes 13 and 14 respectively to the financial statements.

儲備

有關本年度內本集團及本公司儲備之變動詳情載於財務報表附註26。

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 26 to the financial statements.

股本

有關本年度內本公司之股本變動詳情載於財務報表附註24。

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 24 to the financial statements.

董事

本年度內及截至本報告發表日期止之本公司董事姓名如下：

執行董事：

李達先生（於二零零一年十二月十七日去世）

李蕭毓娟女士

李三元先生

CALLISTER, Stephen William先生

吳鳳英女士（於二零零二年一月十日獲委任）

吳海鎮先生（於二零零二年一月十日獲委任）

楊活生先生（於二零零二年七月二日獲委任）

非執行董事：

孫秉樞博士 MBE, JP

獨立非執行董事：

宋潤霖先生

鄭樹榮先生

林楚華先生（於二零零二年七月二日獲委任）

何振潛先生（於二零零二年七月二日獲委任）

按照本公司之公司組織章程細則，CALLISTER, Stephen William先生、吳鳳英女士、吳海鎮先生、楊活生先生、林楚華先生及何振潛先生於即將舉行之股東週年大會上辭去董事會職務，惟有資格並願意膺選連任。

各非執行董事之任期直至按照本公司之公司組織章程細則輪值告退之日為止。

捐獻

本年度內本集團之捐獻金額為港幣190,000元。

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. LEE Deh (deceased on 17 December 2001)

Mrs. LEE Shiao Yu Cho

Mr. LEE Sam Yuen, John

Mr. CALLISTER, Stephen William

Ms. NG Fung Ying (appointed on 10 January 2002)

Mr. NG Hoi Chun (appointed on 10 January 2002)

Mr. YEUNG Wood Sang (appointed on 2 July 2002)

Non-executive director:

Dr. SUN Ping Hsu, Samson MBE, JP

Independent non-executive directors:

Mr. SUNG Yuen Lam, William

Mr. CHENG Shu Wing

Mr. LUM Chor Wah, Richard (appointed on 2 July 2002)

Mr. HE Zhenqian (appointed on 2 July 2002)

In accordance with the provisions of the Company's Articles of Association, Mr. CALLISTER, Stephen William, Ms. NG Fung Ying, Mr. NG Hoi Chun, Mr. YEUNG Wood Sang, Mr. LUM Chor Wah, Richard and Mr. HE Zhenqian shall retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

DONATIONS

Donations made by the Group during the year amounted to HK\$190,000.

董事及高級管理人員之簡介

董事

李蕭毓娟女士，現年78歲，為本公司副主席，負責本集團銷售及市場推廣業務，亦負責本集團之信貸控制。李蕭毓娟女士為李達先生之配偶，並於一九六零年代加入本集團。

李三元先生，現年52歲，為本公司董事總經理，負責本集團行政、營業、採購及市場推廣業務。李先生於一九七四年加入本集團，自一九七九年大華皮革貿易有限公司註冊成立以來一直出任其董事。李先生擁有美國Purdue University管理學士學位。李先生乃李達先生及李蕭毓娟女士之公子。

CALLISTER, Stephen William先生，現年52歲，為本公司董事，具有超過22年國際貿易及市場推廣經驗，並持有澳洲Macquarie University工商管理學碩士學位，為澳洲會計師公會資深會員。Callister先生於一九九三年加入本集團。

吳鳳英女士，現年52歲，負責本集團手袋部門之生產及分銷工作。吳女士在皮革業擁有超過33年豐富經驗，她於一九八一年加入本集團，亦為本集團附屬公司董事。吳女士為吳海鎮先生之胞姊。

吳海鎮先生，現年41歲，負責皮具部之運作，具有超過20年經營皮具業的經驗。吳先生於一九八一年加入本集團。吳先生為吳鳳英女士之胞弟。

楊活生先生，現年51歲，於一九七一年加入滙豐銀行集團。楊先生具有30年商業銀行經驗，並專注於商業信貸、信貸管理及貿易融資。楊先生為香港銀行學會會員。楊先生在二零零二年中旬加入本集團前，過去兩年在銀行負責貿易融資業務。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Mrs. LEE Shiao Yu Cho, aged 78, is the Deputy Chairman of the Company and is responsible for the sales and marketing function of the Group and is also in charge of the Group's credit control. She has been with the Group since the early 1960s and is the wife of Mr. LEE Deh.

Mr. LEE Sam Yuen, John, aged 52, is the Managing Director of the Company and is responsible for the administration, operations, merchandising and marketing functions of the Group. He joined the Group in 1974 and has been a director of Dah Hwa Leather & Trading Co., Limited since its incorporation in 1979. He holds a bachelor's degree in Management from Purdue University, the United States of America. He is the son of Mr. LEE Deh and Mrs. LEE Shiao Yu Cho.

Mr. CALLISTER, Stephen William, aged 52, is a Director of the Company. Mr. Callister has more than 22 years of experience in international trading and marketing. He has a Master's degree in Business Administration from Macquarie University, Australia and is a fellow member of CPA Australia. He joined the Group in 1993.

Ms. NG Fung Ying, aged 52, is responsible for the manufacturing and sales of the handbags division. Ms. Ng has more than 33 years of experience in the leather industry. She joined the Group in 1981. Ms. Ng is also the director of a subsidiary of the Group. She is the sister of Mr. NG Hoi Chun.

Mr. NG Hoi Chun, aged 41, is responsible for the operation of the leatherware division. Mr. Ng has more than 20 years of experience in the leatherware industry. He joined the Group in 1981. He is the brother of Ms. NG Fung Ying.

Mr. YEUNG Wood Sang, aged 51, joined HSBC in 1971. He has 30 years of commercial banking experience with focus on commercial lending, credit control and trade finance. He obtained ACIB title. For 2 years prior to joining the Group in mid 2002, Mr. Yeung had been involved in trade services.

董事及高級管理人員之簡介 (續)

非執行董事

孫秉樞博士 M.B.E., J.P., 現年 77 歲，為 SUN International Group 主席，具有 46 年市場推廣、分銷及製造鐘錶經驗，以及 20 年皮具及電子產品市場推廣及分銷經驗，並為香港鐘錶業總會有限公司永遠榮譽會長。孫先生於一九九三年加入本集團。

獨立非執行董事

宋潤霖先生，現年 60 歲，為會計師行獨資東主，具有超過 25 年核數經驗。宋先生為澳洲會計師公會及香港會計師公會資深會員，他於一九九三年加入本集團。

鄭樹榮先生，現年 53 歲，現任寶盛融資有限公司董事。鄭先生持有香港中文大學工商管理學學士學位，於香港銀行業及證券業擁有廣泛經驗。他於一九九三年加入本集團。

林楚華先生，現年 42 歲，擁有科學學士學位及商科碩士學位。林先生加入本集團前，曾任職於一間國際銀行高層約七年。現林先生任職於另一上市公司工作有七年，負責該公司之投資關係、行政及財務等事務。林先生同時亦是多間在香港的上市公司的董事。

何振潛先生，現年 47 歲，具有超過 20 年貿易、物業投資及管理經驗。現時，何先生於 Crossprofit Development Limited 任職經理，負責物業投資及管理。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Non-executive director

Dr. SUN Ping Hsu, Samson M.B.E., J.P., aged 77, is the Chairman of SUN International Group of companies. He has 46 years' experience in the marketing, distribution and manufacturing of watches, and 20 years' experience in the marketing and distribution of leather goods and electronic goods. He is the permanent honorary president of the Federation of Hong Kong Watch Trades & Industries Limited. He joined the Group in 1993.

Independent non-executive directors

Mr. SUNG Yuen Lam, William, aged 60, is the sole proprietor of an accountancy firm and has more than 25 years of auditing experience. Mr. Sung is a fellow member of CPA Australia and the Hong Kong Society of Accountants. He joined the Group in 1993.

Mr. CHENG Shu Wing, aged 53, is a director of WorldVest Capital Limited. He holds a bachelor's degree in business administration from Chinese University of Hong Kong and has extensive experience in the banking and securities industries in Hong Kong. He joined the Group in 1993.

Mr. LUM Chor Wah, Richard, aged 42, holds a Bachelor of Science degree and a Master of Business Administration degree. Prior to joining the Company, he had worked in a senior position for an international bank for around 7 years and he had been working for another listed company in Hong Kong for 7 years, responsible for the investors relationship, administrative and financial aspects of the company. He is also a director of a number of other listed companies in Hong Kong.

Mr. HE Zhenqian, aged 47, has more than 20 years experience in trading, property investment and management. Currently, he is the manager in charge of property investment and management of Crossprofit Development Limited.

董事及高級管理人員之簡介 (續)**高級管理人員**

周健揚先生，現年33歲，為本集團之財務總監，於二零零二年三月加入本集團。在此之前，他曾任職香港一家上市公司及內地一家合資企業，亦曾在一家國際會計師事務所工作超過5年。周先生持有商業學士學位，現為澳洲會計師公會及香港會計師公會會員。

古嘉儀女士，現年39歲，為本集團行政經理。古女士於一九八三年加入本集團，具有逾19年行政及貿易實務經驗，同時亦負責人力資源工作。

楊詠儀女士，現年39歲，為本集團營運經理，負責皮革採購業務。楊女士於一九九六年加入本集團，具有超過18年市場推廣、商品及採購業務經驗。

董事之服務合約

本公司與李達先生(已故)、李蕭毓娟女士及李三元先生訂立服務協議，由二零零一年八月一日起，三人出任執行董事之職，任期為三年。訂約各方可於六個月前發出書面通知終止此協議而免付賠償。

除上文所披露者外，概無任何擬於即將召開之股東週年大會中膺選連任之董事訂立任何本集團不可於一年內在無賠償情況下終止之服務合約(除法定之賠償外)。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)**Senior management**

Mr. CHOW Kin Yeung, Kenny, aged 33, is the Financial Controller of the Group. He joined the Group in March 2002. Prior to joining the Group, he worked in a listed company in Hong Kong and a joint venture company in the People's Republic of China. He also had over five years working experience in an international certified public accountants firm. Mr. Chow holds a bachelor's degree in Commerce. He is a member of CPA Australia and an associate member of the Hong Kong Society of Accountants.

Ms. KOO Ka Yee, Marian, aged 39, is the Administration Manager of the Group. Ms. Koo joined the Group in 1983 and has more than 19 years of experience in administration and trading practices. She is also responsible for the human resources function.

Ms. YEUNG Wing Yee, Bertha, aged 39, is the Operation Manager of the Group, responsible for leather purchasing operation. Ms. Yeung joined the Group in 1996. She has over 18 years of experience in marketing, merchandising and purchasing operation.

DIRECTORS' SERVICE CONTRACTS

The Company has entered into service agreements with Mr. LEE Deh (deceased), Mrs. LEE Shiao Yu Cho and Mr. LEE Sam Yuen, John under which they are to act as executive directors for a term of three years commencing 1 August 2001. The agreements can be terminated without payment of compensation by the contracting parties giving six months written notice.

Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事之股份權益

於二零零二年三月三十一日，根據證券(披露權益)條例(「披露權益條例」)第二十九條本公司所保存之登記冊所載，或依據披露權益條例第二十八條及上市公司董事進行證券交易的標準守則而須向本公司及香港聯合交易所有限公司披露，董事、主要行政人員及彼等之聯繫人士擁有本公司及其聯營公司之股本權益(定義見披露權益條例)如下：

DIRECTORS' INTERESTS IN SHARES

As at 31 March 2002, the interests of the Company's directors, chief executives and their associates in the share capital of the Company and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 28 of the SDI Ordinance and the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

所持有普通股數目

Number of ordinary shares held

董事姓名	Name of director	Number of ordinary shares held		
		個人權益 Personal interests	公司權益 Corporate interests	其他權益 Other interests
本公司	The Company			
李達先生(已故)	Mr. LEE Deh (deceased)	-	-	410,221,500(a)
李蕭毓娟女士	Mrs. LEE Shiao Yu Cho	450,000	-	410,221,500(a)
李三元先生	Mr. LEE Sam Yuen, John	3,768,000	-	410,221,500(a)
孫秉樞博士	Dr. SUN Ping Hsu, Samson	-	7,200,000 (b)	-
CALLISTER, Stephen William先生	Mr. CALLISTER, Stephen William	780,000	-	-
吳海鎮先生	Mr. NG Hoi Chun	240,400	-	-

附註：

Notes:

(a) 此等股份由D.H. International Limited持有，該公司由一個以李蕭毓娟女士、李三元先生及已故李達先生之遺產為受益人之基金所擁有。

(a) These shares are held by D. H. International Limited, a company owned by a foundation under which, Mrs. LEE Shiao Yu Cho, Mr. LEE Sam Yuen, John and the estate of the late Mr. LEE Deh are beneficiaries.

(b) 此等股份由Sun International Limited持有，該公司由孫秉樞博士控制。

(b) These shares are held by Sun International Limited, a company controlled by Dr. SUN Ping Hsu, Samson.

除上文披露者，及由一位董事於二零零二年三月三十一日以基金形式代本集團持有於附屬公司之代理人股份外，各董事或主要行政人員或彼等之聯繫人士概無於本公司或其任何聯營公司之證券中擁有任何權益(定義見披露權益條例)。

Other than as disclosed above and other than the nominee shares in subsidiaries held by a director in trust for the Group as at 31 March 2002, none of the directors or the chief executives or their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

董事購買股份及債券之權利

本公司採納一項購股權計劃，詳情載於財務報表附註25。自採納購股權計劃後，概無授出任何購股權。

於二零零一年八月二十三日，香港聯合交易所有限公司宣佈修訂香港聯合交易所有限公司證券上市規則（「上市規則」）第17章，並於二零零一年九月一日起生效。本公司目前無意更改已採納之購股權計劃之條款，並將遵守上市規則第17章之規定。

除財務報表附註25所述之購股權計劃外，於年內任何時間，本公司、其控股公司或其附屬公司概無參與訂立任何安排，致使本公司董事藉收購本公司或任何其他法團之股份或債券而獲利。

各董事或主要行政人員或彼等之配偶或未滿十八歲之子女，亦概無擁有任何可認購本公司證券之權利，且於本年度內亦無行使任何上述權利。

關連交易及董事之合約權益

年內，本集團與關連人士訂立以下交易：

- (i) 於上一個年結日，D.H. International Limited（「DHI」）結欠本公司約港幣49,333,000元。於回顧年度，DHI向本集團支付約港幣51,086,000元，因此本集團倒欠DHI約港幣1,753,000元。
- (ii) 本集團向董事李蕭毓娟女士償還港幣約1,760,000元，該款項乃免息。

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

The Company adopted a share option scheme, details of which are set out in note 25 to the financial statements. Since the adoption of the share option scheme, no options have been granted.

On 23 August 2001, The Stock Exchange of Hong Kong Limited announced certain amendments to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), which came into effect on 1 September 2001. The Company has no present intention to change the terms of the adopted share option scheme and will comply with the requirements of Chapter 17 of the Listing Rules accordingly.

Other than the share option scheme as described in note 25 to the financial statements, at no time during the year was the Company, its holding company or its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

None of the directors or chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group entered into the following transactions with connected parties:

- (i) As at the last balance sheet date, an amount in the sum of approximately HK\$49,333,000 was due from D.H. International Limited ("DHI") to the Company. During the review year, DHI paid approximately HK\$51,086,000 to the Group thus resulting an amount due from the Group to DHI of approximately HK\$1,753,000.
- (ii) The Group repaid approximately HK\$1,760,000 to a director, Mrs. LEE Shiao Yu Cho. The amount was non-interest bearing.

關連交易及董事之合約權益 (續)

除上文所披露者外，本公司、其控股公司或附屬公司於年終或年內任何時間，概無訂立任何董事於其中直接或間接有重大利益關係之重要合約。

主要股東

根據披露權益條例第16(1)條，由本公司設立之主要股東登記冊所載，除上文披露由D.H. International Limited所持有之410,221,500股份(佔本公司全部已發行股本之54.21%)外，並無任何人士擁有本公司於二零零二年三月三十一日之已發行股本達10%或以上之權益。

優先購買權

在本公司之公司組織章程細則或開曼群島法例中，並無有關優先購買權之條文，致使本公司須按比例向現有股東發售新股份。

退休金計劃

有關本集團之退休金計劃，詳情載於財務報表附註9。

主要客戶及供應商

於截至二零零二年三月三十一日止年度，本集團五大客戶應佔營業額合共不足本集團總營業額之30%。

五大供應商佔總採購額64%，而最大供應商佔22%。

於本年度內之任何時候，並無任何董事、其關連人士或股東(據董事所知擁有本公司股本5%以上)擁有本集團五大供應商之權益。

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS (Continued)

Other than as disclosed above, no contracts of significance to which the Company, its holding company or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of 410,221,500 shares held by DHI (representing 54.21% of the entire issued share capital of the Company), the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no person as having an interest of 10% or more in the issued share capital of the Company at 31 March 2002.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme of the Group are set out in note 9 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2002, the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover.

The five largest suppliers comprised 64% of the total purchases while the largest supplier accounted for 22%.

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest suppliers at any time during the year.

符合上市規則第19項應用指引

根據日期為二零零一年七月十日之貸款協議，本集團已向一家本集團佔49%權益之聯營公司之其餘股東之同集團附屬公司墊款合共港幣28,297,995元。該墊款已作為聯營公司之營運用途。該應收貸款乃無抵押及按年利率10%計息。該應收貸款佔本集團截至二零零二年三月三十一日止年度之經審核綜合資產淨值約35.1%及已於年結日後全數償還。

購買、出售或贖回本集團之證券

於年度內，本公司透過香港聯合交易所有限公司在公開市場上回購共3,522,500股已繳足股份，總代價為港幣328,000元。所有此等股份皆已被正式註銷。董事會認為回購股份增強股東基礎。

除上述者外，本公司或其任何附屬公司於年度內概無購買、出售或贖回本公司之任何上市證券。

管理合約

於年度內，概無訂立或存在任何與本公司整體業務或其業務任何重大部份之管理及行政有關之合約。

審計委員會

本公司之審計委員會包括本公司一名非執行董事及兩名獨立非執行董事。審計委員會負責檢討整個集團的內部監控制度、其財務報表之完整性及準確性，以及代表董事會與核數師聯繫。委員會與管理層及核數師定期會議，複查核數報告及本集團之中期及年終財務報表。

COMPLIANCE WITH PRACTICE NOTE 19 OF THE LISTING RULES

Pursuant to a loan agreement dated 10 July 2001, the Group had advanced a total sum of HK\$28,297,995 to a fellow subsidiary of the remaining shareholder of a 49% associate of the Group. The advances were used for the purpose of the operations of the associate. The loan receivable is unsecured and bears interest at the rate of 10% per annum. The loan receivable represents approximately 35.1% of the audited consolidated net assets of the Group for the year ended 31 March 2002 and has been fully repaid subsequent to the financial year end.

PURCHASES, SALE OR REDEMPTION OF THE GROUP'S SECURITIES

During the year, the Company repurchased in the open market a total 3,522,500 of its fully paid up shares through The Stock Exchange of Hong Kong Limited for total consideration of HK\$328,000. All of these shares had been duly cancelled. The directors consider the share repurchases will strengthen the shareholder base.

Apart from the above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

AUDIT COMMITTEE

The Company has an audit committee consisting of a non-executive director and two independent non-executive directors of the Company. The committee reviews the system of internal controls throughout the Group, the completeness and accuracy of its financial statements and liaises on behalf of the Board with the auditors. It met regularly with the management and the auditors to review the audit reports and the interim and final financial statements of the Group.

公司管治

本公司於截至二零零二年三月三十一日止年度內，一直遵守上市規則附錄14所載之最佳應用守則。本公司非執行董事概無指定任期，惟願意按照本公司組織章程細則輪值告退。

核數師

於年度內，核數師德勤•關黃陳方會計師行辭任，摩斯倫會計師事務所(特許會計師、執業會計師)獲委任為本公司核數師。

本公司於即將舉行之股東週年大會上提呈一項決議案，續聘摩斯倫會計師事務所為本公司核數師。

代表董事會
李三元
董事總經理

二零零二年七月十九日

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 March 2002 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that the non-executive directors of the Company are not appointed for any specific term of office but are subject to retirement by rotation in accordance with the Articles of Association of the Company.

AUDITORS

During the year the auditors, Messrs. Deloitte Touche Tohmatsu resigned and Messrs. Moores Rowland, Chartered Accountants, Certified Public Accountants, were appointed auditors of the Company.

A resolution will be submitted at the annual general meeting to re-appoint Messrs. Moores Rowland as auditors of the Company.

On behalf of the Board
Lee Sam Yuen, John
Managing director

19 July 2002