



managing director's statement



Over the years, the recognition and the capability of Lei Shing Hong (“the Group”) to obtain the distributorship of renowned and prestigious brands comes from our **commitment of achieving** our best in all of our endeavours, enhancing value for our customers and business partners and maximising returns for our shareholders.

The Group has established an enviable reputation for itself under the leadership of a visionary management team, known for its entrepreneurship, knowledge of the markets and foresight to invest strategically in the developing markets of Northeast Asia. During the past years, various countries have witnessed political and financial crisis on an international scale. Despite these challenging times, the Group has continued to achieve encouraging growth for all of its businesses in 2002. The Group has successfully differentiated itself by entering into the right markets, with the right people, enhancing value for its shareholders, cementing relationships with business partners and maximising customer satisfaction.

During the period under review, the Group’s total turnover and profit attributable to shareholders amounted to HK\$6,175 million and HK\$180 million respectively, representing increases of 41% and 6% respectively. Basic earnings per share was HK19 cents and the net asset value was HK\$4.34 per share. The Board of Directors recommends the payment of a final dividend of HK3 cents per share.

China’s accession into WTO, the rising per capita disposable income and the growth of a significant middle class have played a pivotal role in contributing to the robust economic environment in China. The strong purchasing power allows for betterment in lifestyle, directly benefiting our businesses which focus on bringing quality living to our customers. In line with our well-defined growth strategies, the Group commits to expand its distribution network, recruit high calibre staff and enhance after-sales services. The Group, well prepared for expanding into new potential markets, will further enhance the sales and technical competency of its sales team to achieve continuous growth.

In addition, Northeast Asia has, and will continue to be, one of the more important regions for the Group’s business development in the future. These favourable economic factors benefit leading companies with local expertise and regional focus, such as our Group.

Looking forward, the Group is cognizant of the ongoing political uncertainty in other parts of the world and the impact of the atypical pneumonia outbreak, the Group will therefore exercise caution in our expansion in the Asia Pacific region for 2003. However, I remain confident that all our existing core businesses will continue to bring value-added services to our customers and enhance long-term value for our shareholders.

On behalf of the Board, I would like to express my heartfelt gratitude to the management and staff for their concerted efforts towards excellence and contribution to the Group’s growth. The pursuit for excellence will continue, along with our commitments to maximise satisfaction and enhance the quality of life for our esteemed and valuable customers.

Gan Khian Seng
Managing Director

16 April 2003





premium
brands

quality living for
today and tomorrow