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## **FU CHEONG INTERNATIONAL HOLDINGS LIMITED**

**富昌國際控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

### **FURTHER POSTPONEMENT OF RELEASE OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002, DESPATCH OF 2002 ANNUAL REPORT AND FINANCIAL STATEMENTS AND POSTPONEMENT OF RELEASE OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2003**

At the direction of the Stock Exchange, trading of shares of the Company on the Stock Exchange has been suspended with effect from 16 December 2002 and will remain suspended pending further announcement.

On 29 April 2003, the Company announced its unaudited annual results for the financial year ended 31 December 2002. In the Previous Announcement, it was stated that the announcement of the 2002 Annual Results and the despatch of 2002 Annual Report for the financial year ended 31 December 2002 would be postponed to on or before 6 July 2003 and 13 July 2003.

On 28 August 2003, Ernst & Young tendered their resignation as the auditors of the Company at the request of the Company due to a failure of the Company and Ernst & Young to agree on the terms of settlement of the audit fees payable to Ernst & Young. The Board has appointed Lam, Kwok, Kwan & Cheng C.P.A. Limited to fill the casual vacancy arising from the resignation of Ernst & Young as the auditors of the Company with effect from 11 September 2003 and to hold office until the conclusion of the next annual general meeting. Pursuant to the preliminary discussion made between the Company and Lam, Kwok, Kwan & Cheng C.P.A. Limited, the Directors expect that the announcement of the 2002 Annual Results and the despatch of 2002 Annual Report for the financial year ended 31 December 2002 will be further postponed to on or about 31 October 2003 and 14 November 2003. The Directors also expect that the announcement of the 2003 Interim Results and the despatch of 2003 Interim Report will be postponed to on or about 5 December 2003 and 19 December 2003.

The Directors acknowledge that they have breached paragraphs 8(1), 8(2), 10(1), 11(1) and 11(6) of the Listing Agreement and that the Stock Exchange reserves its right to take appropriate actions against the Company and/or the Directors in respect of the breaches.

## **BACKGROUND**

At the direction of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), trading of shares of Fu Cheong International Holdings Limited (the “**Company**”) on the Stock Exchange has been suspended on 16 December 2002 and as at the date of this announcement, trading of shares of the Company is still suspended.

## **THE ANNOUNCEMENT OF 29 APRIL 2003**

In the announcement of the Company dated 29 April 2003 (the “**Previous Announcement**”), it was stated, among other matters, that as the accounting records and ledgers of the Group were being possessed by the Independent Commission Against Corruption (the “**ICAC**”) for assisting the investigation by the ICAC in certain cases, more time has been spent by the accounting staff of the Company to prepare the Group’s management accounts and the Company’s auditors, Ernst & Young, have only commenced their field audit on 7 April 2003. It was envisaged in the Previous Announcement that, subject to the finalisation of the audit of the annual results for the financial year ended 31 December 2002 (the “**2002 Annual Results**”) by Ernst & Young on or before 30 June 2003, the Directors expected that (i) the 2002 Annual Results would be available for the Directors to consider and approve on or before 6 July 2003; (ii) the announcement of the 2002 Annual Results would be made available on or before 6 July 2003; (iii) the annual reports for the financial year ended 31 December 2002 (the “**2002 Annual Report**”) and 2002 Annual Results would be despatched on or before 13 July 2003; and (iv) the annual general meeting of the Company would be held on or before 7 August 2003.

## **FURTHER POSTPONEMENT OF RELEASE OF THE 2002 ANNUAL RESULTS AND THE DESPATCH OF THE 2002 ANNUAL REPORT**

The Directors announce that their approval of the 2002 Annual Results, the announcement of the 2002 Annual Results and the despatch of the 2002 Annual Report and financial statements of the Group will be further delayed due to the recent change of auditors of the Company.

On 28 August 2003, Ernst & Young tendered their resignation at the request of the Company due to a failure of the Company and Ernst & Young to agree on the terms of settlement of the audit fees payable to Ernst & Young. The board of Directors (the “**Board**”) appointed Lam, Kwok, Kwan & Cheng C.P.A. Limited to fill the casual vacancy arising from the resignation of Ernst & Young as the auditors of the Company with effect from 11 September 2003 and to hold office until the conclusion of the next annual general meeting.

Pursuant to the preliminary discussion between the Company and Lam, Kwok, Kwan & Cheng C.P.A. Limited, the Directors expect that (i) the 2002 Annual Results will be available for the Directors to consider and approve on or about 25 October 2003; (ii) the announcement of the 2002 Annual Results will be made available on or about 31 October 2003; (iii) the 2002 Annual Report and 2002 Annual Results will be despatched on or about 14 November 2003; and (iv) the annual general meeting of the Company will be held on or about 9 December 2003.

## **POSTPONEMENT OF RELEASE OF THE 2003 INTERIM RESULTS AND THE DESPATCH OF THE 2003 INTERIM REPORT**

Due to the recent change of auditors of the Company, the Directors expected that (i) the interim results for the six months ended 30 June 2003 (the “**2003 Interim Results**”) will be available for the Directors to consider and approve on or about 29 November 2003; (ii) the announcement of the unaudited 2003 Interim Results will be made available on or about 5 December 2003; and (iii) the interim reports for the six months ended 30 June 2003 (the “**2003 Interim Report**”) will be despatched on or about 19 December 2003.

The delay in the publication of 2002 Annual Results and 2003 Interim Results and the despatch of 2002 Annual Report and 2003 Interim Report constitute the breach of paragraphs 8(1), 8(2), 10(1), 11(1) and 11(6) of the listing agreement entered between the Company and the Stock Exchange (the “**Listing Agreement**”). The Stock Exchange reserves its right to take appropriate action against the Company and/or the Directors for the breaches.

The delay in the despatch of the 2002 Annual Report and the holding of the annual general meeting of the Company will not violate the articles of association of the Company nor any applicable law, regulation, order or decree in the Cayman Islands.

The Directors confirmed that they have not and will not engaged in any dealing of shares of the Company until the publication of the unaudited interim results of the Group for the six months ended 30 June 2003.

### **GENERAL**

The Group has repaid all outstanding bank loans due to The Hong Kong and Shanghai Banking Corporation Limited, Standard Chartered Bank and Dah Sing Bank as stated in the Previous Announcement. As at the date of this announcement, the Group has no other bank loans or borrowings.

The Directors confirm that the Group’s business is principally managed by Mr Ho Wing Cheong and Mr Ho Wing Hung, the two executive directors of the Company.

### **SUSPENSION OF TRADING**

At the direction of the Stock Exchange, trading of shares of the Company on the Stock Exchange has been suspended with effect from 16 December 2002 and will remain suspended pending further announcement.

By order of the Board  
**Fu Cheong International Holdings Limited**  
**Ho Wing Cheong**  
*Chairman*

Hong Kong, 29 September 2003

\* *For identification purpose only*

“Please also refer to the published version of this announcement in China Daily”.