



GLORY MARK HI-TECH (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited Liability)



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THE GLORY MARK OF TECHNOLOGY POWER

ANNUAL REPORT **2001**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at “www.hkgem.com” in order to obtain up-to-date information on GEM-listed issuers.

Corporate Information	1
Chairman's Statement	2
Management Discussion and Analysis	5
Biographical Details of Directors and Senior Management	9
Business Objectives and Business Progress Comparison	12
Directors' Report	13
Auditors' Report	20
Consolidated Income Statement	21
Consolidated Balance Sheet	22
Balance Sheet	23
Consolidated Statement of Recognised Gains and Losses	24
Consolidated Cash Flow Statement	25
Notes to the Financial Statements	26
Financial Summary	53
Notice of Annual General Meeting	54

Executive Directors

Pang Kuo-Shi (*Chairman*)
Wong Chun (*Deputy Chairman and
Chief Executive Officer*)
Hsia Chieh-Wen
Wong Ngok Chung

Independent Non-executive Directors

Dr. Hon, Lui Ming Wah, JP
Lau Ho Kit, Ivan

Company Secretary

Wong Ngok Chung, FCCA, AHKSA

Authorised Representative

Wong Chun
Wong Ngok Chung

Compliance Officer

Wong Ngok Chung

Qualified Accountant

Wong Ngok Chung, FCCA, AHKSA

Audit Committee

Lau Ho Kit, Ivan (*Chairman*)
Dr. Hon, Lui Ming Wah, JP

Registered Office

Century Yard, Cricket Square,
Hutchins Drive, P.O.Box 2681GT,
George Town, Grand Cayman,
British West Indies

Head office and principal place of business

Unit 907, 9th Floor
Westlands Centre
20 Westlands Road
Quarry Bay, Hong Kong

Stock Code: 8159**Principal registrar and transfer office**

Bank of Butterfield International (Cayman) Ltd.
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

Hong Kong share registrars and transfer office

Hong Kong Registrars Limited
2nd Floor, Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

Principal bankers

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

The Bank of East Asia Limited
10 Des Voeux Road Central
Hong Kong

Sponsor

Kingston Corporate Finance Limited
Suite 2801, 28th Floor
One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants
26th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Company homepage

<http://www.glorymark.com.tw>



To Our Shareholders,

For and on behalf of the Board of Directors, I am pleased to present the first annual report of Glory Mark Hi-Tech (Holdings) Limited (the "Company") and its subsidiaries ("the Group") for the year ended 31 December 2001 after the Company's listing on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 4 January 2002.

FINANCIAL PERFORMANCE

Despite the slowdown of global economy and consumer market, the Group achieved the same level of turnover in 2001 as in 2000. The Group's turnover in 2001 amounted to HK\$119.1 million whereas turnover of 2000 amounted to HK\$119.6 million. With the effective measures and strategies implemented by the Group, net profit achieved a growth of 32.2%, reporting HK\$18.6 million in 2001 as compared to HK\$14.0 million in 2000. Earnings per share was HK7.71 cents.

DIVIDENDS

The directors have recommended a final dividend of HK0.8 cents per share. The Company has not paid or declared any dividend since its date of incorporation. However, during the year, one of its wholly owned subsidiaries paid a dividend of HK\$5,000,000 to its then shareholders prior to the Group Reorganisation (2000: HK\$5,000,000). Subject to shareholders' approval at the forthcoming annual general meeting, the final dividend will be payable on 23 May 2002 to shareholders whose names appear on the register of members of the Company on 9 May 2002.

REVIEW

Faced the global economic downturn in 2001, the Group adopted a number of strategies and measures to meet with the challenges.

- Focused on the market sector of higher profit margin retail distributors. Turnover from retail distributors increased from 25.8% in 2000 to 30.2% in 2001.
- Re-allocated resources to provide the best services to valuable customers. Revenues from two main customers increased by 64.7% in 2001.
- Strengthened research and development capabilities, launched new products as well as improved existing products in a timely fashion to keep the Group's growth momentum in this competitive era.
- Enhanced operational efficiencies by streamlining the management system and providing on-the-job training.
- Installed four new production lines in the existing production premises, making a total of 15. The Group's expansion strategy during the sluggish years rendered the Group a reward of expending lower investment costs. Moreover, the Group can fully enjoy the benefits from the market recovery.

FINANCIAL POSITION

With the new capital injection after the listing, the Group's strong financial position has further been strengthened. As at 31 December 2001, the Group had cash in hand of approximately HK\$44 million, including those held by a custodian in respect of the proceed arising from issue of shares through placing. The Group did not have any bank borrowing for the two years ended 31 December 2000 and 31 December 2001 respectively.

In the long run, the Group intends to maintain an appropriate debt to equity ratio to ensure an efficient capital structure. Although there is no immediate requirement for debt finance, the Group will arrange appropriate banking facilities with reputable banks to back up any of the financial requirements during its expansion. As all along in the past, the Group will utilize its resources in a cautious and responsible manner.



PROSPECT

It is anticipated that both competition and opportunities arise in the coming year. The Group will continue to implement effective strategies and measures to meet with the challenges, as well as leverage on its financial resources and product quality to grasp the business opportunities ahead. In the years to come, we can foresee the following business opportunities:—

- The computer industry will regain its momentum in 2002.
- The integration of computer, communication and consumer electronics products (collectively known as “3C products”) accelerates. It introduces plenty of new business opportunities to connectivity products industry.
- The global trend of increasing world’s leading computer companies select China as their manufacturing base.
- With the entry into the WTO, its continual economic growth, China is opening up its enormous market to the world.

The Group will make the most of its geographical advantages and its unique network relationships in Taiwan, Hong Kong and China to benefit from these opportunities. With expansion in an aggressive but cautious manner, we are optimistic about the future development of the Group.

CONCLUSION

I would like to take this opportunity to thank our customers, shareholders and business partners for their continuous support. I would also like to extend my utmost gratitude to all our staff for their honour, endeavour and contributions in the past.

Pang Kuo-Shi

Chairman

Hong Kong, 25 March 2002

TURNOVER AND PROFIT

Despite the slowdown of global economy and consumer market, the Group maintained a turnover level of HK\$119.1 million in 2001, with only a slightly decrease of 0.5% as compared with that of 2000. However, with the implementation of strategy of increasing sales to high margin retail distributors, the Group's net profit recorded a significant increase of approximately 32.2% to HK\$18.6 million while the net profit margin also increased from 11.7% to 15.6%.

Sales analysis by OEM customers and retail distributors:—

	2001		2000	
	HK\$'million	%	HK\$'million	%
Sales to OEM customers	83.2	69.8%	88.7	74.2%
Sales to retail distributors	35.9	30.2%	30.9	25.8%
	119.1	100%	119.6	100.0%

The increase in sales to retail distributors in 2001 was mainly attributed by the successful exploitation of Japan retail distributors market.

Sales analysis by geographical region:—

	2001		2000	
	HK\$'million	%	HK\$'million	%
Taiwan	50.3	42.2%	63.5	53.1%
The US	27.8	23.3%	15.2	12.7%
Japan	24.0	20.2%	11.1	9.3%
Korea	13.4	11.3%	24.8	20.7%
Others	3.6	3.0%	5.0	4.2%
	119.1	100%	119.6	100.0%

Sales to Taiwan decreased from HK\$63.5 million in 2000 to HK\$50.3 million in 2001 was mainly due to decreased orders from low margin customers and a retail distributor. Sales to the US and Japan were strong, accounted for 23.3% and 20.2% of the total sales in 2001 respectively. It was attributed by introduction of new products and increase in customers base. In Korea, the sales was affected by the termination of the agreement with a sales agent in the Korean market on 1 March 2001, however, the Group entered into another agency agreement with a sales agent in Korea in June 2001.

Sales analysis by product category:—

	2001		2000	
	HK\$'million	%	HK\$'million	%
Monitor cables	49.8	41.8%	57.0	47.6%
Conventional I/O cables	44.8	37.6%	46.6	39.0%
Multi-functional/high speed transmission connectivity products	24.5	20.6%	16.0	13.4%
	119.1	100%	119.6	100.0%

A drop in sales of monitor cables in 2001 was due to decrease in sales in a Korean customer and some low margin OEM customers. Sales of conventional I/O cables decreased slightly to HK\$44.8 million. Sales of multi-functional/high speed transmission connectivity products were encouraging. It reflected its growing global demand and the reward of the Group's strong research and development capability.

YEAR IN REVIEW

Liquidity and Financial Resources

With the new capital injection after the listing, the Group's financial position has further been strengthened. As at 31 December 2001, the Group's total net assets amounted to HK\$57.9 million. The Group had cash in hand of approximately HK\$44 million, including the net proceed from the new issue of approximately HK\$24 million.

The gearing ratio of the Group is zero (2000: zero). It is calculated on the basis of the Group's interest bearing debt over the total equity interest as at the reporting date. The Group did not have any bank borrowings for the two years ended 31 December 2001.

In the long run, the Group intends to maintain an appropriate mix of equity and debt to ensure an efficient capital structure. Although there is no immediate requirement for debt finance, the Group will arrange appropriate banking facilities with reputable banks to back up any of the financial requirements during its expansion. As all along in the past, the Group will utilize its resources in a cautious and responsible manner.

Production Capacity and Capability

To cope with the anticipated increase in demand for the Group's products and with the introduction of new products, the Group has installed four additional production lines in the existing production plant in Tangxia Town, making up to a total of 15 production lines. The Group is seeking for a piece of land with a site area of approximately 20,000 sq. m. near its existing production plant in Tangxia Town, on which a new production plant and a staff dormitory will be constructed.

Product Development

To cope with the global growing demand of multi-functional/high speed transmission connectivity products, the Group completed the development of the following products during the year.

- Cat 6 network cable.
- USB 2.0 series cables and hubs.
- Panel wire which connects LCD panel to control board.
- Connectivity products which connect telecommunication equipment to computers for the use of Internet.
- Multi-functional connectivity products with built-in Mounted PCBs.

Research and Development Capabilities

It is an ongoing strategy of the Group to focus on our research and development capabilities, as it is critical in maintaining the Group's competitive edge in the market. The Group had 27 engineers/technicians in the research and development as at 31 December 2001.

Sales and Marketing

The Group realizes the importance of providing full technical support and offering high-quality products for retaining valuable customers. During the year, the Group re-allocated its resources to enhance this objective.

The Group also focused its market efforts to exploit retail distribution markets which usually committed a higher profit margin.

Material Investment and Capital Assets

No significant investments or material acquisitions and disposals of subsidiaries and affiliated companies which have significant impact on financial results of the Group were made in the two years ended 31 December 2001.



Employees

As at 31 December 2001, the Group had 1,369 (2000: 1,270) employees. Employee remuneration, excluding directors' emoluments, for the year ended 31 December 2001 was approximately HK\$14.1 million (2000: HK\$13.4 million). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus systems, which is reviewed annually. The Company had granted options to its employees prior to its listing, details of which can be referred to the prospectus issued by the Company dated 18 December 2001.

Currency Risk

The Group's purchases were made in NT\$, US\$, HK\$ and RMB which represented approximately 77.7%, 7.2%, 12.3% and 2.8% respectively for the year ended 31 December 2001. (2000: 76.7%, 3.9%, 15.3% and 4.1% respectively). The Group has not made any arrangement to hedge the Group's exchange rate risks in both 2000 and 2001.

Most of the Group's cash on hand as at 31 December 2001 were Hong Kong Dollars and US Dollars.

Prospect

It is anticipated that both competition and opportunities arise in the coming year. The Group will continue to implement effective strategies and measures to meet with the challenges, as well as leverage on its financial resources and product quality to grasp the business opportunities ahead. In the years to come, we can foresee the following business opportunities:—

- The computer and communication industry will regain its momentum in 2002.
- The integration of computer, communication and consumer electronics products (collectively known as "3C products") accelerates. It introduces plenty of new business opportunities to connectivity products industry.
- The global trend of increasing world's leading computer and communication companies select China as their manufacturing base.
- With the entry into the WTO and continual economic growth, China is opening up its enormous market to the world.

DIRECTORS

Executive Directors

Mr. Pang Kuo-Shi also known as Steve Pang (龐國璽) aged 44, is one of the founders of the Group. Mr. Pang is the chairman of the Company and is responsible for the Group's overall strategic planning, business development, sales and marketing. He has over 20 years of experience in the field of research and development, sales and marketing of computer cables and connectors. Prior to founding the Group, Mr. Pang worked as a sales manager for the US office of 鴻海精密工業股份有限公司 ("Hon-Hai Precision Industrial Company Limited"), one of the leading cable assembly and connector manufacturers in Taiwan. Mr. Pang graduated with a diploma in industrial engineering from 台灣新埔工業專科學校 (Hsinpu Junior College of Technology in Taiwan) in 1978.

Mr. Wong Chun, (黃震) aged 42, is one of the founders of the Group. Mr. Wong is the deputy chairman and the chief executive officer of the Company. Mr. Wong is responsible for administration, finance and investment project management of the Group. Mr. Wong had worked as a chief officer of China affairs for two Hong Kong listed electronics companies, Tomei International (Holdings) Limited and The Grande Holdings Limited. Mr. Wong has over 18 years of experience in the electronic and computer peripherals sector. In addition, Mr. Wong was appointed as the regional advisory councillor for International Bank of Asia Limited in November 2000. Mr. Wong has been elected as the deputy chairman of Dongguan City Tangxia Commerce Association since 1998.

Mr. Hsia Chieh-Wen, also known as Paul Hsia (夏傑文), aged 40, is an executive Director and is primarily responsible for the Group's product development, quality control and production management. Mr. Hsia graduated with a diploma in mechanical engineering from 台灣龍華工業專科學校 (Lung Hua Technical College in Taiwan) in 1982, Mr. Hsia has over 14 years of experience in the cable assembly and connector industry. Prior to joining the Group in September 1993, Mr. Hsia worked as an engineer for 鴻海精密工業股份有限公司 ("Hon-Hai Precision Industrial Company Limited"), one of the leading cable assembly and connector manufacturers in Taiwan.

Mr. Wong Ngok Chung (黃岳松), aged 49, is an executive Director and chief financial officer of the Company and is primarily responsible for the Group's financial management and legal affairs. Mr. Wong is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Society of Accountants. Mr. Wong has over 20 years of experience in finance, accounting and business management. Mr. Wong Joined the Group in May 2000.



Independent non-executive Directors

Dr. Hon. Lui Ming Wah (呂明華), JP, Ph.D., aged 63 is an established industrialist serving as the Honorary Chairman of the Hong Kong Electronic Industries Association and the Chairman of the Electronics Industry Training Board of the Vocational Training Council. He is also the Vice President of the Chinese Manufacturers Association of Hong Kong and a member of the International Arbitration Centre. Dr. Lui was elected to the Hong Kong Legislative Council on 24 May 1998 for a term of two years. In 2000 Legislative Council Elections, he was successfully elected for a term of four years. He obtained his Master and Ph.D. degrees from The University of New South Wales in Australia and The University of Saskatchewan in Canada respectively. He is currently the director of Keystone Electronics Co Ltd. Dr. Lui was appointed as an independent non-executive Director in December 2001.

Mr. Lau Ho Kit, Ivan (劉可傑), aged 43, Mr. Lau has extensive experience in accounting and financial management while working as a financial director/financial controller in a number of manufacturing companies listed on the Stock Exchange. Mr. Lau graduated from the Hong Kong Polytechnic University with a masters degree in professional accounting. Mr. Lau is a member of the Hong Kong Society of Accountants, and the Association of Chartered Certified Accountants. Mr. Lau became an independent non-executive Director in December 2001.

Senior management

Mr. Chui Wing Kit (徐永傑), aged 44, is the assistant financial controller of the Group. Mr. Chui gained substantial experience in finance, accounting, and auditing while working as an assistant financial controller of a listed company in Hong Kong. Mr. Chui joined the Group in October 2000.

Mr. Liu Chih-Hua (劉治華), aged 48, is the deputy general manager of the Group's Marketing Department, and is responsible for the Group's sales and marketing. Mr. Liu has over 13 years of experience in the sales and marketing field. Prior to joining the Group in February 2000, Mr. Liu has worked as marketing manager in various private companies in Taiwan, relating to computer cables and connectors manufacture.

Mr. Chen Ching-Chang (陳慶章), aged 40, is the deputy general manager of the Group's Production and Manufacturing Business Department, and is responsible for the Group's production and manufacturing and quality management. Mr. Chan graduated from 台灣明新工業專科學校 in 1982 with a diploma in electronic engineering. He has over 17 years of experience in cables, connectors assembling and management of electronic products manufacturing. Mr. Chen has worked as production manager in various manufacturing companies in Taiwan, relating to cables, connectors assembling and electronic products manufacturing. Mr. Chen joined the Group on 1 January 2002.

Mr. Tin Jane-Pin also known as Tim Tin (丁正平), aged 34, is the sales and marketing manager of the Group. Mr. Tin graduated from 台灣四海工業專科學校 in 1988 with a diploma in electronic engineering. Mr. Tin is primarily responsible for the sales and marketing of the Group's products in Japan. Mr. Tin obtained substantial experiences while working as an electronic and sales engineer in various Taiwanese private manufacturers. He Joined the Group in February 1990.

Miss Yeh Chiao-Lan also known as Yeh Carinna (葉嬌蘭), aged 38, is the business development assistant manager of the Group and is responsible for the sales and marketing in Europe. Miss Yeh obtained a bachelor's degree in Teaching from Charles Sturt University in Australia in 1996. Miss Yeh has over four years of experience in sales management and joined the Group in November 1999.

Mr. Wang Wei-Chih (王維之) aged 38, is the research and development manager of the Group and is responsible for the research and development of the Group. Mr. Wang has over 12 years of experience in the research and development of computer cables and connectors. He had worked as a research engineer in various Taiwanese computer peripherals manufacturers. Mr. Wang Joined the Group in September 1993.

Dr. Wei-I Lee (李威儀), aged 43, is the technical consultant of the Group and is responsible for the research and development activities of the Group, especially in the fibre optic business. Dr. Lee obtained a doctoral degree in Electrical Engineering from Rensselaer Polytechnic Institute in U.S. in December 1988. Dr. Lee is at present a professor at 國立交通大學 (The National Communication University) in Taiwan and the executive director of a company engaging in semiconductor opto-electronic and high speed devices. Dr. Lee joined the Group in June 2001.



USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

For the year ended 31 December 2001, the Group has invested approximately HK\$2.5 million for the following business objectives.

- Approximately HK\$2,306,528 was used for expansion of production capability and capacity
- Approximately HK\$166,500 was used for research and development
- Approximately HK\$32,396 was used for sales and marketing

COMPARISON OF THE BUSINESS OBJECTIVES LISTED IN THE PROSPECTUS WITH ACTUAL BUSINESS PROGRESS

Business Objectives as stated in the Prospectus	Actual Business Progress for the year ended 31 December 2001
<ul style="list-style-type: none"> — Production capability and capacity 	<ol style="list-style-type: none"> 1 Increase of new production lines, equipments, air-conditioners and improvement of the existing production lines amounted to HK\$1,321,900 approximately. 2 Deposit paid for the purchase of an automated testing equipment for IEEE-1394, DVI, USB 2.0 products amounted to HK\$923,778 approximately. 3 Acquired new computers and upgraded the computer software for amounting of HK\$60,850 approximately.
<ul style="list-style-type: none"> — Research and development 	<ol style="list-style-type: none"> 1 Increase of a new USB2.0 tester equipment for R & D amounted to HK\$166,500 approximately.
<ul style="list-style-type: none"> — Sales and marketing 	<ol style="list-style-type: none"> 1 Participated in computer-related trade fairs in Japan and Taiwan amounted to HK\$32,396 approximately.

DIRECTORS' REPORT

The Directors present their first report and the audited financial statements of the Company from 13 June 2001 (date of incorporation) to 31 December 2001 and of the Group for the year ended 31 December 2001.

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands on 13 June 2001 as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands.

Pursuant to a corporate reorganisation (the "Group Reorganisation") to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Growth Enterprise Market ("GEM") operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 13 December 2001.

Details of the Group Reorganisation are set out in the paragraph headed "Group reorganisation" in Appendix IV to the prospectus dated 18 December 2001 issued by the Company.

The shares of the Company have been listed on the GEM of the Stock Exchange with effect from 4 January 2002.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Details of the principal activities of its subsidiaries are set out in note 30 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2001 are set out in the consolidated income statement on page 21.

During the year, a dividend of HK\$5,000,000 were paid by a wholly-owned subsidiary of the Company to its then shareholders prior to the Group Reorganisation.

The directors recommend the payment of a final dividend of HK0.8 cents per share to shareholders on the register of members on 9 May 2002, amounting to HK\$2,560,000.



MAJOR SUPPLIERS AND CUSTOMERS

The largest and the top five suppliers of the Group accounted for about 23.6% and 58.1% respectively of the Group's total purchases for the year ended 31 December 2001.

Glory Mark Electronic Limited ("GM (Taiwan)") and C & C Technic Taiwan Co., Ltd. ("C & C") are two of the top five suppliers of the Group. GM (Taiwan) is a company incorporated under laws of Taiwan with limited liability and is beneficially owned as to 39% by Mr. Pang Kuo Shi ("Mr. Pang"), 25% by Mr. Wong Chun, 15% by Mr. Hsia Chieh-Wen ("Mr. Hsia"), 1% by Ms Pang Kuo Yu, who is the sister of Mr. Pang and 20% by Mr. Jin Zui Yao, who is the brother-in-law of Mr. Pang and Mr. Pang is the sole director thereof. Mr. Pang's wife holds 11.67% interest in C & C.

In addition, Mr. Pang and Mr. Hsia in aggregate are interested in approximately 0.036% in the shareholding in the largest supplier of the Group, which is a public listed company in Taiwan.

The largest and the top five customers of the Group accounted for about 23.1% and 67.6% respectively of the Group's total turnover for the year ended 31 December 2001.

Save as disclosed above, none of the directors, their respective associates or shareholders who hold more than 5% of the issued share capital of the Company has any interests in the Group's five largest suppliers or five largest customers during the year.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The Group continued its plant replacement policy and invested approximately HK\$2,906,000 on new property, plant and equipment during the year.

The Group's investment properties were revalued at 30 September 2001, resulting in a revaluation deficit of approximately HK\$187,000 which has been charged to the income statement.

Details of these and other movements during the year in the property, plant and equipment and investment properties of the Group are set out in notes 13 and 14 to the financial statements, respectively.

SHARE CAPITAL

Details of movements during the period from 13 June 2001 (date of incorporation) to 31 December 2001 in the share capital of the Company are set out in note 21 to the financial statements.

RESERVES

Details of movements during the year in the reserves of the Group and the Company are set out in note 23 to the financial statements.

DIRECTORS

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

Executive directors:

Mr. Pang Kuo-Shi	<i>(appointed on 19 June 2001)</i>
Mr. Wong Chun	<i>(appointed on 19 June 2001)</i>
Mr. Hsia Chieh-Wen	<i>(appointed on 19 June 2001)</i>
Mr. Wong Ngok Chung	<i>(appointed on 19 June 2001)</i>
Mr. Neil T. Cox	<i>(appointed on 13 June 2001 and resigned on 19 June 2001)</i>

Independent non-executive directors appointed on 13 December 2001:

Dr. Hon. Lui Ming Wah, JP
Mr. Lau Ho Kit, Ivan

In accordance with the Article 87 of the Company's Articles of Association, Mr. Hsia Chieh-Wen shall retire at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

Each of the executive directors has entered into service agreement dated 13 December 2001 with the Company for an initial term of three years commencing from 1 August 2001 and shall continue thereafter until terminated by not less than six months' notice in writing served by either party on the other.

Other than as disclosed above, none of the directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).



DIRECTORS' INTERESTS IN SHARES

At 31 December 2001, the interests of the directors and their associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Name of director	Number of ordinary shares held			
	Personal interests	Family interests	Corporate interests	Other interests
Mr. Pang Kuo-Shi ("Mr. Pang")	—	139,808,000 (<i>note</i>)	—	—
Mr. Wong Chun ("Mr. Wong")	58,272,000	—	—	—
Mr. Hsia Chieh-Wen ("Mr. Hsia")	34,944,000	—	—	—

Note: Modern Wealth Assets Limited held the 139,808,000 shares. Modern Wealth Assets Limited is a wholly-owned subsidiary of True Profit Management Limited, which in turn is a wholly-owned subsidiary of HSBC International Trustee Limited, the trustee of a discretionary trust, the Pang's Family Trust. Mr. Pang's wife is the discretionary object of the Pang's Family Trust.

Other than as disclosed above, none of the directors, nor their associates, had any interests in any securities of the Company or any of its associated corporations.

SHARE OPTION SCHEMES

Pursuant to the Company's share option schemes adopted on 13 December 2001 for the purpose of providing incentives to directors and eligible employees, the Company may grant options to executive directors and full-time employees of the Group to subscribe for shares of the Company.

At 31 December 2001, the number of shares in respect of which options had been granted under the Schemes was 32,000,000, representing 10% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Schemes is not permitted to exceed 30% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. Options may be exercised at any time from the thirteenth months from the date of grant of the share option to the fifth anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the shares.

On 13 December 2001, prior to its listing, the Company granted options to the directors and full-time employees of the Group to subscribe for an aggregate of 32,000,000 shares in the Company. Details were as follows:

Name of director/employee	Number of shares to be issued upon exercise of the options	Outstanding at 31.12.2001	Cumulative Number of Shares to be issued upon exercise of the options and their exercisable period	
Director:				
Mr. Pang	8,000,000	8,000,000	2,400,000	13.12.2002 – 12.12.2006
			4,800,000	13.12.2003 – 12.12.2006
			8,000,000	13.12.2004 – 12.12.2006
Mr. Wong	6,000,000	6,000,000	1,800,000	13.12.2002 – 12.12.2006
			3,600,000	13.12.2003 – 12.12.2006
			6,000,000	13.12.2004 – 12.12.2006
Mr. Hsia	3,000,000	3,000,000	900,000	13.12.2002 – 12.12.2006
			1,800,000	13.12.2003 – 12.12.2006
			3,000,000	13.12.2004 – 12.12.2006
Mr. Wong Ngok Chung	3,000,000	3,000,000	900,000	13.12.2002 – 12.12.2006
			1,800,000	13.12.2003 – 12.12.2006
			3,000,000	13.12.2004 – 12.12.2006
Employees	12,000,000	12,000,000	3,600,000	13.12.2002 – 12.12.2006
			7,200,000	13.12.2003 – 12.12.2006
			12,000,000	13.12.2004 – 12.12.2006
	32,000,000	32,000,000		

None of the share options were exercised from the date of grant to date of the report.

The fair value of the options granted in the current year totalled approximately HK\$6,400,000. The following significant assumptions were used to derive the fair values using the Black-Scholes option pricing model:

- 1) Risk-free rate of return is 5.0%
- 2) Current price of the share is HK\$0.43 per share
- 3) an expected volatility of 0%
- 4) No annual dividends

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the 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.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in note 29 to the financial statements:

- (i) there were no transactions, which need to be disclosed as connected transactions in accordance with the requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules"); and
- (ii) no contract of significance to which the Company or any of its 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.

The independent non-executive directors confirm that the transaction have been entered into by the Company in the ordinary course of its business and in accordance with the terms of the agreement governing such transactions.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed under the section headed "Directors Interests in Shares" above, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that no person as having an interest of 10% or more in the issued share capital of the Company as at 31 December 2001.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities since the incorporation of the Company to 31 December 2001.

CORPORATE GOVERNANCE

The Company has complied throughout the period between 13 December 2001 (the establishment date of the Audit Committee) and 31 December 2001 with the corporate governance matters as set out in rules 5.28 to 5.39 of Chapter 5 of the GEM Listing Rules.

AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, an audit committee comprising two independent non-executive directors, namely Mr. Lau Ho Kit, Ivan and Dr. Hon. Lui Ming Wah, JP was established on 13 December 2001.

Since its establishment, the audit committee held one meeting and performed the following duties:

- (1) reviewed and commented on the Company's draft annual financial report dated 25 March 2002;
- (2) reviewed and commented on the Group's internal controls; and
- (3) met with the external auditors and participated in the reappointment and assessment of the performance of the external auditors.

AUDITORS

Messrs. Deloitte Touche Tohmatsu have acted as auditors of the Company since its incorporation.

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Pang Kuo-Shi

Chairman

25 March 2002



德勤 • 關黃陳方會計師行

Certified Public Accountants 香港中環干諾道中111號
26/F, Wing On Centre 永安中心26樓
111 Connaught Road Central
Hong Kong

**Deloitte
Touche
Tohmatsu****TO THE MEMBERS OF GLORY MARK HI-TECH (HOLDINGS) LIMITED**

(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 21 to 52 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2001 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

25 March 2002

	Notes	2001 HK\$'000	2000 HK\$'000 (Note 1)
Turnover	3	119,062	119,601
Cost of sales		(88,846)	(96,616)
Gross profit		30,216	22,985
Other revenue	5	3,108	1,418
Selling and distribution expenses		(2,730)	(3,590)
Administrative expenses		(11,205)	(5,845)
Profit from operations	6	19,389	14,968
Finance costs	8	(1)	—
Profit before taxation		19,388	14,968
Taxation	9	(816)	(922)
Profit for the year	10 & 23	18,572	14,046
Dividends	11		
Paid		5,000	5,000
Proposed		2,560	—
Earnings per share	12		
Basic		HK7.71 cents	HK5.85 cents
Diluted		HK7.69 cents	N/A



	Notes	2001 HK\$'000	2000 HK\$'000 (Note 1)
NON-CURRENT ASSETS			
Property, plant and equipment	13	14,838	14,488
Investment properties	14	780	967
		15,618	15,455
CURRENT ASSETS			
Inventories	16	6,555	6,200
Trade and other receivables	17	65,297	31,210
Amount due from a related company	18	—	338
Tax recoverable		122	8
Bank balances and cash		18,283	17,515
		90,257	55,271
CURRENT LIABILITIES			
Trade and other payables	19	40,060	30,793
Amounts due to related companies	20	1,146	532
Amounts due to directors	20	4,156	5,401
Amount due to a shareholder		—	1,566
Dividend payable		—	10,000
Tax payable		2,633	1,830
		47,995	50,122
NET CURRENT ASSETS			
		42,262	5,149
		57,880	20,604
CAPITAL AND RESERVES			
Share capital	21	32,000	880
Reserves	23	25,880	19,724
		57,880	20,604

The financial statements on pages 21 to 52 were approved and authorised for issue by the Board of Directors on 25 March 2002 and are signed on its behalf by:

Pang Kuo-Shi
Director

Wong Chun
Director

	<i>Notes</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS		
Investments in subsidiaries	15	34,045
CURRENT ASSETS		
Other receivables	17	26,206
Amounts due from subsidiaries		60
Bank balances		7,008
		33,274
CURRENT LIABILITIES		
Other payables		5,510
Amount due to a subsidiary		4,001
		9,511
NET CURRENT ASSETS		
		23,763
		57,808
CAPITAL AND RESERVES		
Share capital	21	32,000
Reserves	23	25,808
		57,808

Pang Kuo-Shi
Director

Wong Chun
Director

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

For the Year Ended 31 December 2001

	2001	2000
	HK\$'000	HK\$'000
		<i>(Note 1)</i>
Exchange loss arising on translation of overseas operations not recognised in the income statement	(13)	—
Profit for the year	18,572	14,046
Total recognised gains	18,559	14,046

	Notes	2001 HK\$'000	2000 HK\$'000 (Note 1)
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES	24	(2,428)	15,446
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		337	501
Interest paid		(1)	—
Dividends paid by a subsidiary		(15,000)	—
NET CASH (OUTFLOW) INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(14,664)	501
TAXATION			
Hong Kong Profits Tax paid		(127)	(6)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,906)	(3,959)
Proceeds from disposal of property, plant and equipment		—	46
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,906)	(3,913)
NET CASH (OUTFLOW) INFLOW BEFORE FINANCING		(20,125)	12,028
FINANCING	25		
Issue of ordinary shares		34,400	—
Share issue expenses		(10,683)	—
Advance by directors		5,000	—
Repayment of amounts due to directors		(6,245)	(2,530)
Repayment of amount due to a shareholder		(1,566)	(259)
NET CASH INFLOW (OUTFLOW) FROM FINANCING		20,906	(2,789)
INCREASE IN CASH AND CASH EQUIVALENTS		781	9,239
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		17,515	8,276
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(13)	—
CASH AND CASH EQUIVALENTS CARRIED FORWARD		18,283	17,515
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		18,283	17,515



1. GENERAL

The Company was incorporated in the Cayman Islands on 13 June 2001 as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands.

The Company acts as an investment holding company. Details of the principal activities of its subsidiaries are set out in note 30.

Pursuant to a corporate reorganisation (the "Group Reorganisation") to rationalise the structure of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") in preparation for the listing of the Company's shares on the Growth Enterprise Market ("GEM") operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 13 December 2001. Details of the Group Reorganisation were set out in the prospectus dated 18 December 2001 issued by the Company.

The principal steps of the Group Reorganisation, which involved the exchange of shares, were as follows:

- (a) the shares of Glory Mark International (Holdings) Limited ("GM International") were issued and allotted to the then shareholders of Asia-Link Technology Limited (incorporated in the British Virgin Islands) ("Asia-Link (BVI)"), Glory Mark Electronic Limited (incorporated in the British Virgin Islands) ("Glory Mark (BVI)") and Glory Mark Electronic Limited (incorporated in Hong Kong) ("Glory Mark (HK)"), in exchange for the shares in Asia-Link (BVI), Glory Mark (BVI) and Glory Mark (HK); and
- (b) the shares of the Company were then issued and allotted to the existing shareholders of GM International in exchange for the shares in GM International.

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the financial statements of the Group have been prepared using the principles of merger accounting in accordance with Statement of Standard Accounting Practice No. 27 "Accounting for Group Reconstructions" issued by the Hong Kong Society of Accountants.

The shares of the Company have been listed on the GEM of the Stock Exchange with effect from 4 January 2002.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties, 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 31 December each year.

The results of the subsidiaries 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.

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Revenue recognition

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

Service fee income is recognised when services are provided.

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

Rental income are recognised on a straight-line basis over the terms of the relevant leases.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and amortisation and, if any, impairment losses.

Depreciation is provided to write off the cost of the assets, other than land and buildings, over their estimated useful lives, using the straight line method, at 20% per annum. Land use rights and buildings are amortised and depreciated over the terms of the relevant leases.



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

The gain or loss arising on 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 income statement.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible 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. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the impairment loss is treated as revaluation decrease under that Standard.

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, unless the relevant asset is carried at a revalued amount under another Standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other Standard.

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged. On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

In previous year, investment properties were stated at their carrying value.

No depreciation or amortisation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Inventories

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

Taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed under the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Foreign currencies

Transactions in currencies other than Hong Kong dollars are translated into Hong Kong dollars at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated into Hong Kong dollars at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

On consolidation the financial statements of a subsidiary which are denominated in currencies other than Hong Kong dollars are translated at the rate ruling on the balance sheet date. All exchange differences arising on consolidation are dealt with in reserves.



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

Leases where substantially all the risks and rewards of ownership remains with the leasing companies are accounted for as operating leases.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the terms of the relevant leases.

Retirement benefit costs

Payments to mandatory provident fund scheme are charged in the income statement as they become payable in accordance with the rules of the scheme.

3. TURNOVER

Turnover represents the amounts received and receivable, net of discounts and returns, from the sale of connectivity products mainly for computers and peripheral products during the year.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Group is currently engaged in providing its products to two classes of customers, namely, original equipment manufacturer ("OEM") customers and retail distributors. The directors of the Company regard these segments as the primary source of the Group's risks and returns.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

Segment information about these businesses is presented as follows:

	OEM customers HK\$'000	2001 Retail distributors HK\$'000	Total HK\$'000	OEM customers HK\$'000 (Note 1)	2000 Retail distributors HK\$'000 (Note 1)	Total HK\$'000 (Note 1)
OPERATING RESULTS						
TURNOVER						
External sales	83,156	35,906	119,062	88,685	30,916	119,601
RESULTS						
Segment results	20,712	9,504	30,216	13,627	9,358	22,985
Unallocated income and expenses			(10,827)			(8,017)
Profit from operations			19,389			14,968
Finance costs			(1)			—
Profit before taxation			19,388			14,968
Taxation			(816)			(922)
Profit for the year			18,572			14,046
ASSETS AND LIABILITIES						
ASSETS						
Trade receivables (Note)	31,825	5,536	37,361	24,425	6,316	30,741
Unallocated assets			68,514			39,985
Total assets			105,875			70,726
LIABILITIES						
Unallocated total liabilities			47,995			50,122

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

Note: The nature of products, the production processes and the methods used to distribute the products to these two classes of customers are similar. The Group's production facilities are located in the People's Republic of China ("PRC"). These two classes of customers utilise the Group's resources in a similar manner, accordingly, the only separable assets for them are trade receivables for these customers.

Geographical segments

The Group's customers are mainly located in Taiwan, United States of America, Japan and Korea. The following table provides an analysis of the Group's turnover and contribution to profit from operations by geographical location of the Group's customers:

	Turnover		Contribution to profit from operations	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
		(Note 1)		(Note 1)
Taiwan	50,305	63,518	5,032	7,960
United States of America	27,759	15,200	15,339	6,548
Japan	24,023	11,109	6,602	4,180
Korea	13,432	24,751	1,859	2,632
Hong Kong	2,056	1,108	1,071	119
Others	1,487	3,915	313	1,546
	119,062	119,601	30,216	22,985
Unallocated income and expenses			(10,827)	(8,017)
Profit from operations			19,389	14,968

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments (Continued)

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
		(Note 1)		(Note 1)
The PRC, other than Hong Kong	21,692	20,322	2,532	3,745
Hong Kong	44,670	19,019	118	214
Taiwan	26,210	21,024	256	—
United States of America	8,168	5,363	—	—
Japan	2,183	1,027	—	—
Korea	1,426	3,358	—	—
Others	1,526	613	—	—
	105,875	70,726	2,906	3,959

5. OTHER REVENUE

	2001 HK\$'000	2000 HK\$'000
		(Note 1)
Handling fee income	565	420
Exchange gain	956	205
Interest income	337	501
Rental income	153	106
Subcontracting fee	290	—
Others	807	186
	3,108	1,418

6. PROFIT FROM OPERATIONS

	2001	2000
	HK\$'000	HK\$'000
		(Note 1)
Profit from operations has been arrived at after charging:		
Directors' remuneration (Note 7)	2,183	614
Other staff costs		
Research and development	363	206
Others	13,784	13,183
Mandatory Provident Fund contribution	78	5
	16,408	14,008
Auditors' remuneration	413	433
Amortisation of intangible assets	—	40
Intangible assets written off	—	41
Depreciation and amortisation	2,556	2,095
Operating lease rentals in respect of rented premises	283	230
Research and development service fees paid to a related party	274	411
Revaluation deficit of investment properties	187	—
Inventories written off	390	518
Bad debts	21	151
Exchange loss	—	272
and after crediting:		
Gain on disposal of property, plant and equipment	—	46

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(Note 1)</i>
Directors		
Fees	100	—
Other emoluments		
Salaries and other benefits	2,073	614
Mandatory Provident Fund contributions	10	—
	2,183	614
Analysed into:		
Director A	790	375
Director B	646	36
Director C	455	203
Director D	192	—
Director E	50	—
Director F	50	—
	2,183	614

The amounts disclosed above include directors' fees of HK\$100,000 (2000:Nil) payable to independent non-executive directors.

During the year, no emoluments were paid by the Group to these directors as an inducement to join or upon joining the Group or as compensation for loss of office and no director had waived any emoluments.



7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (Continued)

Employees

Of the five highest paid individuals of the Group, four (2000: two) were directors of the Company whose emoluments are included above. The emoluments of the remaining one (2000: three) individual(s) were as follows:

	2001	2000
	HK\$'000	HK\$'000
		(Note 1)
Salaries and other benefits	336	466
Mandatory Provident Fund contributions	12	—
	348	466

8. FINANCE COSTS

Finance costs represent interest on bank overdraft.

9. TAXATION

	2001	2000
	HK\$'000	HK\$'000
		(Note 1)

The charge comprises:

Underprovision of Hong Kong Profits Tax in prior year	13	—
PRC enterprise income tax	803	922
	816	922

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit in Hong Kong for the year. Hong Kong Profits Tax in prior year was calculated at 16% on the estimated assessable profit for that year.

PRC enterprise income tax is calculated at the rates prevailing.

9. TAXATION *(Continued)*

No provision for deferred taxation has been made in the financial statements as there were no material timing differences arising during the year and at the balance sheet date.

10. PROFIT FOR THE YEAR

Of the Group's profit for the year of HK\$18,572,000, a profit of HK\$46,000 has been dealt with in the financial statements of the Company.

11. DIVIDENDS

	2001	2000
	HK\$'000	HK\$'000
		<i>(Note 1)</i>
Dividend paid by a subsidiary to its then shareholders prior to the Group Reorganisation	5,000	5,000
Final dividend proposed of HK 0.8 cents (2000: Nil) per share	2,560	—

The final dividend of HK 0.8 cents per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.



12. EARNINGS PER SHARE

The calculation of the basic earnings per share for the years referred to in this report is based on the net profit for each of the two years ended 31 December 2001 and on the weighted average number of shares of 240,877,000 (2000: 240,000,000) shares in issue on the assumption that the Group Reorganisation has been effective on 1 January 2000.

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

	THE GROUP	
	2001	2000
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share	18,572	14,046
Weighted average number of ordinary shares for the purposes of basic earnings per share	240,877,000	240,000,000
Effect of dilutive potential ordinary shares:		
Options (<i>Note</i>)	504,000	—
Weighted average number of ordinary shares for the purposes of diluted earnings per share	241,381,000	240,000,000

Note: Since the Company's shares have been listed on 4 January 2002, the subscription price of the Company's shares of HK\$0.43 per share is adopted for the calculation of dilutive effect of share options.

13. PROPERTY, PLANT AND EQUIPMENT

	Land use rights HK\$'000	Buildings HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
THE GROUP								
COST								
At 1 January 2001	1,000	9,649	1,442	1,187	443	11,684	860	26,265
Additions	—	—	1,446	250	—	1,210	—	2,906
At 31 December 2001	1,000	9,649	2,888	1,437	443	12,894	860	29,171
DEPRECIATION AND AMORTISATION								
At 1 January 2001	120	921	560	786	376	8,707	307	11,777
Provided for the year	20	203	518	189	44	1,386	196	2,556
At 31 December 2001	140	1,124	1,078	975	420	10,093	503	14,333
NET BOOK VALUES								
At 31 December 2001	860	8,525	1,810	462	23	2,801	357	14,838
At 31 December 2000	880	8,728	882	401	67	2,977	553	14,488

The land use rights and buildings are located in the PRC under medium-term leases.

14. INVESTMENT PROPERTIES

	THE GROUP
	<i>HK\$'000</i>
Balance brought forward, at carrying value	967
Revaluation deficit	(187)
Balance carried forward, at valuation	780

The investment properties are held under medium-term leases in Hong Kong and are rented out under operating leases.

Investment properties were valued at their open market value at 30 September 2001 by DTZ Debenham Tie Leung Limited, registered professional surveyor, on an open market existing use basis. The deficit arising on revaluation of HK\$187,000 has been charged to the income statement. The directors consider the open market value at 31 December 2001 was not significantly different from that at 30 September 2001.

15. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY
	<i>HK\$'000</i>
Unlisted investments	34,045

The carrying value of the unlisted investments is determined by the directors on the basis of the book values of the underlying net assets of the subsidiaries attributable to the Group as at the date on which the Company became the ultimate holding company of the Group pursuant to the Group Reorganisation during the year.

Particulars of the Company's subsidiaries as at 31 December 2001 are set out in note 30 to the financial statements.

None of the subsidiaries had any debt capital outstanding at the balance sheet date.

16. INVENTORIES

	THE GROUP	
	2001	2000
	HK\$'000	HK\$'000
		(Note 1)
Raw materials and consumables	3,070	3,044
Finished goods	3,485	3,156
	6,555	6,200

All inventories are carried at cost.

17. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period ranging from 30 days to 120 days to its trade customers.

The following is an aged analysis of trade receivables at the reporting date:

	THE GROUP		THE COMPANY
	2001	2000	2001
	HK\$'000	HK\$'000	HK\$'000
		(Note 1)	
Trade receivables			
Within 30 days	8,898	9,519	—
Between 31 days and 90 days	17,359	14,723	—
More than 90 days	11,104	6,499	—
	37,361	30,741	—
Other receivables (Note)	27,936	469	26,206
	65,297	31,210	26,206

Note: Included in other receivables of the Group and the Company were the cash balance of HK\$26,112,000 (2000: Nil) held by a custodian in respect of the proceed arising from issue of shares through placing. The amount has been released to the Group subsequent to 31 December 2001.

The Company was incorporated on 13 June 2001 and thus did not have comparative figure.

18. AMOUNT DUE FROM A RELATED COMPANY

Details of the amount due from a related company disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance are as follows:

	THE GROUP		
	Balance at 31.12.2001 <i>HK\$'000</i>	Balance at 1.1.2001 <i>HK\$'000</i>	Maximum amount outstanding during the year <i>HK\$'000</i>
Name of related company			
San Chen Company ("San Chen")	—	338	338

The amount was unsecured, interest free and was repaid during the year. Mr. Pang Kuo Shi, Steve ("Mr. Pang"), a director of the Company, has a beneficial interest in the above company.

19. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the reporting date:

	THE GROUP	
	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
		<i>(Note 1)</i>
Within 30 days	6,258	5,804
Between 31 days and 90 days	13,569	12,401
More than 90 days	6,258	6,670
	26,085	24,875

20. AMOUNTS DUE TO RELATED COMPANIES AND DIRECTORS

The amounts are unsecured, interest free and have no fixed terms of repayments. Mr. Pang, Mr. Pang's wife, Mr. Wong Chun ("Mr. Wong") and Mr. Hsia Chieh Wen ("Mr. Hsia") are either directors or shareholders of the related companies.

21. SHARE CAPITAL

	Number of shares	Value HK\$'000
Ordinary share of HK\$0.1 each		
Authorised:		
On incorporation	1,000,000	100
Increase in authorised share capital	999,000,000	99,900
At 31 December 2001	1,000,000,000	100,000
Issued and fully paid:		
Allotted and issued as nil paid on incorporation	1,000,000	—
Credited as fully paid from contributed surplus	—	100
Issue of shares upon the Group Reorganisation	1,000,000	100
Capitalisation of share premium for issue of shares ("Capitalisation Issue")	238,000,000	23,800
Issue of shares through initial public offer	80,000,000	8,000
At 31 December 2001	320,000,000	32,000

The following changes in the share capital of the Company took place during the period from 13 June 2001 (date of incorporation) to 31 December 2001:

- (a) The Company was incorporated on 13 June 2001 with an authorised share capital of HK\$100,000 divided into 1,000,000 ordinary shares of HK\$0.1 each. On 19 June 2001, 1,000,000 ordinary shares were allotted and issued as nil paid.

21. SHARE CAPITAL (Continued)

- (b) Pursuant to the written resolutions of all shareholders of the Company passed on 13 December 2001:
- (i) the authorised share capital of the Company was increased from HK\$100,000 to HK\$200,000 by the creation of an additional 1,000,000 ordinary shares of HK\$0.1 each;
 - (ii) 1,000,000 ordinary shares of HK\$0.1 each were allotted, issued and credited as fully paid at par as consideration for the acquisition by the Company of the entire issued share capital of GM International; and
 - (iii) an amount of HK\$100,000, being part of the amount credited to the contributed surplus of the Company arising from the issue of shares described in (b)(ii) above, was applied to pay up in full at par the 1,000,000 ordinary shares of HK\$0.1 each allotted and issued on 19 June 2001 as referred to in (a) above.
- (c) Pursuant to another written resolutions of all shareholders of the Company passed on 13 December 2001 and subject to certain conditions which were subsequently fulfilled:
- (i) the authorised share capital of the Company was increased from HK\$200,000 to HK\$100,000,000 by the creation of an additional 998,000,000 ordinary shares of HK\$0.1 each;
 - (ii) the placing and public offer of an aggregate 80,000,000 ordinary shares (subject to over-allotment option) of HK\$0.1 each were approved and the directors were authorised to allot and issue the new shares pursuant thereto; and
 - (iii) the directors were authorised to allot and issue a total of 238,000,000 ordinary shares of HK\$0.1 each, credited as fully paid at par, to the holders of shares of the Company on the register of members at the close of business on 18 December 2001 in proportion to their then existing holding by way of capitalisation of the sum of HK\$23,800,000 standing to the credit of the share premium account of the Company. Those shares were issued on 28 December 2001 following the placing and public offer of the Company's shares mentioned in (d) below.

21. SHARE CAPITAL (Continued)

- (d) On 28 December 2001, 80,000,000 ordinary shares of HK\$0.1 each were issued at HK\$0.43 per share for cash through an initial public offering by way of placing and public offer. The Group intended to use the net proceeds from the shares issued mainly for expansion and as general working capital of the Group.

All the above shares issued by the Company rank pari passu with the then existing shares in all respects.

The share capital of HK\$880,000 at 31 December 2000 shown in the consolidated balance sheet represented the sum of the issued share capital of Asia-Link (BVI), Glory Mark (BVI) and Glory Mark (HK), the then holding companies of the subsidiaries acquired by the Company pursuant to the Group Reorganisation.

22. SHARE OPTION SCHEMES

- (a) On 13 December 2001, the Company adopted a share option scheme (the "Pre-IPO Share Option Scheme"), under which certain executive directors and full-time employees of the Group have been granted by the Company options to subscribe for an aggregate of 32,000,000 shares in the Company at an exercise price of HK\$0.30. At 31 December 2001, the outstanding options granted under the Pre-IPO Share Option Scheme and their exercisable periods are as follows:

No. of options	Exercisable period
9,600,000	13 December 2002 - 12 December 2006
9,600,000	13 December 2003 - 12 December 2006
12,800,000	13 December 2004 - 12 December 2006

- (b) On 13 December 2001, the Company adopted another share option scheme (the "Post-IPO Share Option Scheme") under which the Company may grant to the executive directors and full-time employees of the Group to subscribe for shares in the Company. No options were granted since the date of adoption.



23. RESERVES

	Share premium HK\$'000	Merger reserve HK\$'000	Contributed surplus HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
THE GROUP						
At 1 January 2000	—	—	—	—	10,678	10,678
Profit for the year	—	—	—	—	14,046	14,046
Dividend	—	—	—	—	(5,000)	(5,000)
At 31 December 2000	—	—	—	—	19,724	19,724
Merger reserve arising on the Group Reorganisation	—	680	—	—	—	680
Premium arising on initial public offering	26,400	—	—	—	—	26,400
Capitalisation Issue	(23,800)	—	—	—	—	(23,800)
Share issue expenses	(2,600)	—	—	—	(8,083)	(10,683)
Exchange loss on translation of overseas operations	—	—	—	(13)	—	(13)
Profit for the year	—	—	—	—	18,572	18,572
Dividend	—	—	—	—	(5,000)	(5,000)
At 31 December 2001	—	680	—	(13)	25,213	25,880
THE COMPANY						
Contributed surplus arising on the Group Reorganisation	—	—	33,945	—	—	33,945
Contributed surplus utilised in paying up nil paid shares	—	—	(100)	—	—	(100)
Premium arising on initial public offering	26,400	—	—	—	—	26,400
Capitalisation Issue	(23,800)	—	—	—	—	(23,800)
Share issue expenses	(2,600)	—	(8,083)	—	—	(10,683)
Profit for the year	—	—	—	—	46	46
At 31 December 2001	—	—	25,762	—	46	25,808

23. RESERVES (Continued)

The merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued for the acquisition under the Group Reorganisation.

The contributed surplus of the Company represents the difference between the aggregate shareholders' funds of the subsidiaries at the date on which the Company became the holding company of the Group and the nominal value of the share capital of the Company issued under the Group Reorganisation.

The Company's reserves available for distribution represent the share premium, contributed surplus and accumulated profits. Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that, immediately following the distribution and dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. At the balance sheet date, the Company's reserves available for distribution to shareholders amounted to HK\$25,808,000.

24. RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES

	2001 HK\$'000	2000 HK\$'000
		(Note 1)
Profit before taxation	19,388	14,968
Interest income	(337)	(501)
Interest expense	1	—
Depreciation and amortisation	2,556	2,095
Amortisation of intangible assets	—	40
Intangible assets written off	—	41
Revaluation deficit of investment properties	187	—
Gain on disposal of property, plant and equipment	—	(46)
Increase in inventories	(355)	(292)
Increase in trade and other receivables	(34,087)	(3,386)
Decrease in amount due from a related company	338	845
Increase in trade and other payables	9,267	1,396
Increase in amounts due to related companies	614	286
Net cash (outflow) inflow from operating activities	(2,428)	15,446

25. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital and share premium <i>HK\$'000</i>	Amounts due to directors <i>HK\$'000</i>	Amount due to a shareholder <i>HK\$'000</i>
At 1 January 2000	880	7,931	1,825
Repayments	—	(2,530)	(259)
At 31 December 2000	880	5,401	1,566
Credited to merger reserve pursuant to the Group Reorganisation	(680)	—	—
Issue of shares through initial public offer	34,400	—	—
Shares issue expenses (<i>Note</i>)	(2,600)	—	—
Advances	—	5,000	—
Repayments	—	(6,245)	(1,566)
At 31 December 2001	32,000	4,156	—

Note: During the year, the Group paid an aggregate share issue expenses of approximately HK\$10,683,000 of which approximately HK\$2,600,000 was charged to the share premium account and the remaining balance of approximately HK\$8,083,000 was charged to the accumulated profits of the Group.

26. CAPITAL COMMITMENTS

	THE GROUP	
	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the financial statements	585	—

The Company did not have any significant capital commitments as at the balance sheet date.

27. OPERATING LEASE COMMITMENTS

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2001	2000
	HK\$'000	HK\$'000
		<i>(Note 1)</i>
Within one year	275	125
In the second to fifth year inclusive	105	—
	380	125

Leases are negotiated for an average term of two years with fixed monthly rentals.

The Group as lessor

The Group's investment properties which are held for rental purposes are expected to generate rental yields of 19.6% on an ongoing basis and have committed tenants for the next two years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2001	2000
	HK\$'000	HK\$'000
		<i>(Note 1)</i>
Within one year	47	157
In the second to fifth year inclusive	—	52
	47	209

The Company did not have any commitments under non-cancellable operating leases as at the balance sheet date.

28. PROVIDENT FUND SCHEMES

From 1 December 2000 onwards, all the staff in Hong Kong of the Group are offered the opportunity to join the Mandatory Provident Fund Scheme, which is introduced in Hong Kong. The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the scheme.

Eligible staff of a subsidiary operating in the PRC currently participates in a central pension scheme operated by the local municipal government. The PRC subsidiary is required to contribute an amount of 11% on the covered payroll of its employees to the central pension scheme for the funding of the retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of the eligible employees of the PRC subsidiary. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

29. RELATED PARTY TRANSACTIONS

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

Name of related party	Nature of transactions	2001	2000
		HK\$'000	HK\$'000 (Note 1)
Glory Mark Electronic Limited (incorporated in Taiwan) ("GM (Taiwan)")	Sales of goods (Note c)	1,101	1,026
	Purchases of goods (Note a)	7,211	3,715
	Service fees paid (Note b)		
	— Research and development	274	411
	— Others	291	436
San Chen	Sales of goods (Note a)	—	493
	Tooling charges paid (Note a)	—	4
Glory Mark Enterprises Limited ("GM Enterprises")	Rentals paid (Note b)	272	174
C & C Technic Taiwan Co., Ltd. ("C & C")	Sales of goods (Note a)	223	118
	Purchases of goods (Note b)	3,953	1,289
	Tooling charges paid (Note b)	—	3

29. RELATED PARTY TRANSACTIONS (Continued)

Notes:

- (a) These transactions were carried out at cost plus a profit mark up.
- (b) These transactions were based on amounts agreed between the parties concerned.
- (c) The selling prices of these transactions were set at a predetermined percentage of the selling prices charged by GM (Taiwan) to its customers.

Mr. Pang, Mr. Wong and Mr. Hsia, the directors and the shareholders of the Company, together hold 79% interest in GM (Taiwan) and 100% interest in GM Enterprises. Mr. Pang holds 40% interest in San Chen. Further, Mr. Pang's wife holds 11.67% interest in C & C.

The above transactions with GM Taiwan and San Chen were discontinued during the year.

30. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2001 are as follows:

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
			Directly	Indirectly	
Asia-Link Technology Limited	British Virgin Islands	Ordinary shares US\$50,000	—	100%	Trading of connectivity products mainly for computers and peripheral products in the United States of America and investment holding



30. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
			Directly	Indirectly	
Asia-Link Technology Limited	Hong Kong	Ordinary shares HK\$100,000	—	100%	Trading of connectivity products mainly for computers and peripheral products in Hong Kong
東莞輝煌電子有限公司 Dongguan Glory Mark Electronic Co., Ltd.	The PRC	Registered and contributed capital HK\$8,600,000	—	100%	Manufacture of connectivity products mainly for computers and peripheral products
Glory Mark Electronic Limited (Note)	British Virgin Islands	Ordinary shares US\$50,000	—	100%	Trading of connectivity products mainly for computers and peripheral products in South East Asia
Glory Mark Electronic Limited	Hong Kong	Ordinary shares HK\$100,000	—	100%	Trading of connectivity products mainly for computers and peripheral products in Hong Kong and investment holding
Glory Mark International (Holdings) Limited	British Virgin Islands	Ordinary shares US\$100	100%	—	Investment holding

Note: The company has set up a branch, namely Glory Mark Electronic Limited Taiwan Branch (BVI) (the "Branch") in Taiwan on 20 July 2001. The Branch mainly serves as a service centre which provides research and development, marketing and material procurement services to the Group.

	1999 <i>HK\$'000</i>	2000 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
RESULTS			
Turnover	79,518	119,601	119,062
Profit from operations	6,650	14,968	19,389
Finance costs	—	—	(1)
Profit before taxation	6,650	14,968	19,388
Taxation	(400)	(922)	(816)
Profit for the year	6,250	14,046	18,572

Notes:

1. The results of the Group for each of the two years ended 31 December 2000 have been extracted from the Company's prospectus dated 18 December 2001.
2. The Company was incorporated in the Cayman Islands on 13 June 2001. Accordingly, the only consolidated balance sheets of the Group that have been prepared are set out on page 22.



NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of GLORY MARK HI-TECH (HOLDINGS) LIMITED ("the Company") will be held at Salon I and II, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on 9 May 2002 at 10:00 a.m. for the following purposes:—

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2001.
2. To declare a final dividend.
3. To re-elect the retiring director and to authorise the Board of Directors to fix the directors' remuneration.
4. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration.

On behalf of the Board

Pang Kuo-Shi

Chairman

Hong Kong,
25 March 2002

Head Office and Principal Place of Business

Unit 907, 9th Floor
Westlands Centre
20 Westlands Road
Quarry Bay
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited with the Company's principal place of business at Unit 907, 9/F., Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting.
- (2) The register of members of the Company will be closed from Friday, 3 May 2002 to Thursday, 9 May 2002, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Hong Kong Registrars Limited at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong for registration no later than 4:00 p.m. on Thursday, 2 May 2002.