

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

The Directors have pleasure in presenting to the shareholders their report together with the audited financial statements of EganaGoldpfeil (Holdings) Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31st December, 2000.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries and associates are principally engaged in (i) design, assembly, manufacturing and distribution of timepiece, jewellery and leather products; (ii) licensing or assignment of brandnames or trademarks to third parties and (iii) trading of timepiece components, jewellery and consumer electronic products.

An analysis of the Group's turnover by principal activities and geographical locations, together with their respective contributions to profit before tax for the years ended 31st December, 1999 and 2000 is set out in Note 3 to the accompanying financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 30% of the Group sales were attributable to the Group's five largest customers.

During the year, less than 30% of the Group purchases were attributable to the Group's five largest suppliers.

As at 31st December, 2000, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's share capital) had a beneficial interest in the Group's five largest customers or suppliers.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit from operations was \$198 million (US\$25.4 million), representing a profit margin of 8.1% and a return on equity of 15.8%. Turnover from our branded products was 72%, compared to 66% in 1999.

During the year, the Group maintained a strong financial position despite the devaluation of the Euro to the extent of 20% against the US dollar. The impact of the Euro on our financial results is significant as 70% of our turnover was derived from Europe.

Turnover for 2000 was \$2,454 million (US\$315 million), a 3% decrease over 1999. When the effect of the Euro devaluation is taken away, in real terms our turnover increased by approximately 8%.

Operating profit margin was 8.1%. Return on equity was a favourable 15.8% in this regard.

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(Amounts expressed in Hong Kong dollars unless otherwise stated)

MANAGEMENT DISCUSSION AND ANALYSIS *(Cont'd)*

After-tax profit attributable to shareholders was \$110 million (1999 - \$154 million). The \$44 million decrease is due primarily to three main factors:

- \$25 million (US\$3.2 million) in Egana Jewellery & Pearls Limited ("Egana Jewellery") attributable to the steep decline of Euro which eroded the operating profit due to our policy of adhering as far as practicable to the prices established at the inception of each product collection launch, during the season. This policy is viewed as fair and demonstrates our long term commitment to our business partners, thereby enabling the strategic partners and associates to participate with the Group to minimize any currency effect on the product prices, which would be beneficial in controlling the currency devaluation effect upon pricing and profitability going forward.
- \$16 million (US\$2.1 million) of pre-launch promotional expenditure which was expensed to administrative expenses instead of being deferred and amortized over a period of three years.
- \$10 million (US\$1.3 million) relating to relocation of our US distribution centre and office in anticipation of the US expansion, such sum was expensed instead of capitalized.

These are for the long-term contribution to the Group that future economic benefits are expected, and for reinforcing the continuous business growth momentum.

Excluding the Euro devaluation effects and adjusting the pre-launch and relocation expenditure to prevailing policy, there exists a modest growth of 5% in this regard.

The Company continued to closely monitor the inventory control and credit risk, which again resulted in the 2000 inventory and debtor turnover remaining well ahead of the industry average. The figures for 2000 were 138 days and 60 days respectively compared to the industry norm of 160 and 120 days.

With the operating cash inflow and the subscription of the 2000 warrants to the extent of 80% during the year, the accumulated cash increased to \$470 million (US\$60.3 million), a 96% increase from 1999. This is a positive indication of the Company's financial strength, as the figure is after the acquisition of Junghans Uhren GmbH ("Junghans"), a substantial capital investment.

The Company continued its commitment of ensuring that capital investment is financed by equity and retained earnings to the extent possible, so as to optimize the use of financial resources. Consequently, the gearing ratio improved to 0.59x (1999 - 0.69x), well above the industry average of 1.1x. Our solvency ratio, defined as net debts to tangible net worth, was 0.31x in 2000, a strong improvement over 0.63x in 1999, and better than the industry average of 0.8x. This demonstrates the long-term effectiveness of our capital application formula for the benefit of the Group, which gives us the financial strength to pursue our strategic business growth.

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(Amounts expressed in Hong Kong dollars unless otherwise stated)

MANAGEMENT DISCUSSION AND ANALYSIS *(Cont'd)*

The Group continued to maintain its current ratio at 1.4x (1999 - 1.6x), in line with its goal of maintaining it above the industry yardstick of 1.2x. Interest cover improved to 5.6x (1999 - 4.6x), above the market expectation of 3x.

Net earnings on capital employed was 8.8%, down from 13.5% in 1999, but primarily is a reflection of the impact of the Euro devaluation upon the price adjustments as noted above. The Group practises natural hedging to the extent possible, that is, having turnover and expenses denominated in the same currency, and has a practice of hedging currency risks as far as is reasonably practicable. Thus the foreign currency exposure has been properly contained.

As a recognized international brandname collector and multi-brand vertically integrated powerhouse, the treasury team continues to closely monitor the Group's financial position in order to maximize the return and the shareholder fund for the benefit of the Company and its stakeholders.

In year 2000, shareholder fund increased by \$112 million (US\$14.4 million) to \$1,254 million (US\$161 million), showing a double digit growth.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31st December, 2000 are set out in the consolidated income statement on page 66.

The Directors do not recommend the payment of a final dividend, and recommend that the retained profit of \$415,354,000 as at 31st December, 2000 be carried forward.

SHARE CAPITAL, SHARE OPTIONS AND WARRANTS

Details of movements in share capital, share options and warrants of the Company during the year are set out in Note 24 to the accompanying financial statements.

CONVERTIBLE DEBENTURES

Details of the terms of the convertible debentures are set out in Note 23 to the accompanying financial statements.

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

RESERVES AND RETAINED PROFITS

Movements in reserves and retained profits of the Group and the Company during the year are set out in Note 25 to the accompanying financial statements.

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, share premium of the Company is available for distributions or payment of dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or payment of dividends the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, no dividend shall be paid otherwise than out of retained profits of the Company or the amount held in any share premium account. As at 31st December, 2000, the Company's share premium amounted to approximately \$352,650,000 (1999 - \$230,926,000) while its retained profits amounted to approximately \$215,857,000 (1999 - \$189,231,000).

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

During the year ended 31st December, 2000, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Memorandum and Articles of Association of the Company and the Companies Law of the Cayman Islands.

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and associates as at 31st December, 2000 are set out in Notes 14 and 16 to the accompanying financial statements respectively.

FIXED ASSETS

Detailed movements in fixed assets during the year are set out in Note 12 to the accompanying financial statements.

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

BANK LOANS AND OVERDRAFTS

Particulars of bank loans and overdrafts as at 31st December, 2000 are set out in Notes 19 and 20 to the accompanying financial statements. There was no interest capitalised by the Group during the year.

DONATIONS

During the year, the Group made charitable and other donations of approximately \$185,000 (1999 - \$367,000).

PENSION SCHEMES AND COSTS

Details of pension schemes and costs are set out in Notes 2, 5 and 27 to the accompanying financial statements respectively.

SUBSEQUENT EVENTS

Details of significant subsequent events are set out in Note 31 to the accompanying financial statements.

DIRECTORS

The Directors who held office during the year and up to the date of this report were as follows:

Executive Directors

Hans-Joerg SEEBERGER (*Chairman and Chief Executive*)

Peter Ka Yue LEE

Michael Richard POIX

Non-executive Directors

David Wai Kwong WONG

Professor Udo GLITTENBERG

Dr. Götz Reiner WESTERMEYER

In accordance with Article 92 of the Company's Articles of Association, Mr. Peter Ka Yue LEE and Mr. David Wai Kwong WONG shall retire by rotation from office and, being eligible, offer themselves for re-election. All other directors continue in office.

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

DIRECTORS' SERVICE CONTRACTS

Mr. Hans-Joerg SEEBERGER has entered into a service agreement with the Company for a term of three years commencing 1st September, 1995 until 31st August, 1998. The service agreement has been renewed for another three years until 31st August, 2001.

Mr. Peter Ka Yue LEE has entered into a service agreement with the Company for a term of forty months commencing 1st September, 1995 until 31st December, 1998. The service agreement has been renewed for another three years until 31st December, 2001.

Mr. Michael Richard POIX has entered into a service agreement with the Company for a term of three years commencing 1st April, 1998 until 31st March, 2001. The service agreement has been renewed for another three years until 31st March, 2004.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Company or its subsidiaries which is not terminable by the Company or its subsidiaries within one year without payment of compensation (other than statutory compensation).

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

DIRECTORS' INTERESTS IN SECURITIES

As at 31st December, 2000, the interests of the Directors and their associates in the securities of the Company and its associated corporations 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:

The Company

Name of Directors	Number of shares			Number of options
	Personal interests	Corporate interests	Total	Personal interests
Hans-Joerg SEEGER	—	4,466,984,746 <i>(Note i)</i>	4,466,984,746	120,000,000 <i>(Note i)</i>
Peter Ka Yue LEE	5,302,915	80,268,380 <i>(Note ii)</i>	85,571,295	5,200,000 <i>(Note iii)</i>
Michael Richard POIX	28,265,860	—	28,265,860	5,380,000 <i>(Note iv)</i>
Dr. Götz Reiner WESTERMEYER	2,880,000	—	2,880,000	—
Professor Udo GLITTENBERG	1,152,000	—	1,152,000	—

Notes:

- i. These shares were registered in the name of Peninsula International Limited and its nominee which held the same as nominee for the Captive Insurance Trust, a discretionary trust whose prospective beneficiaries included Mr. Hans-Joerg SEEGER and his family. The options, exercisable at \$0.211 per share, were granted pursuant to the Company's Executive Share Option Scheme.
- ii. These shares were beneficially owned by Joshua Limited, a company which was wholly and beneficially owned by Mr. Peter Ka Yue LEE.
- iii. 200,000 and 5,000,000 options, exercisable at \$0.128 and \$0.211 per share respectively, were granted pursuant to the Company's Executive Share Option Scheme.
- iv. 380,000 and 5,000,000 options, exercisable at \$0.128 and \$0.211 per share respectively, were granted pursuant to the Company's Executive Share Option Scheme.

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

DIRECTORS' INTERESTS IN SECURITIES (Cont'd)

Associated corporations

Egana Jewellery

Name of Directors	Number of shares			Amount of warrants (in \$)			Number of options
	Personal interests	Corporate interests	Total	Personal interests	Corporate interests	Total	Personal interests
	Hans-Joerg SEEBERGER	—	2,266,340,990	2,266,340,990	—	29,675,219.00	29,675,219.00
		(Note i)			(Note i)		(Note iii)
Peter Ka Yue LEE	736,516	11,148,386	11,884,902	69,968.75	1,059,096.50	1,129,065.25	2,500,000
		(Note ii)			(Note ii)		(Note iii)
Michael Richard POIX	3,733,986	—	3,733,986	354,728.50	—	354,728.50	2,500,000
							(Note iii)
Dr. Götz Reiner WESTERMEYER	—	—	—	18,000.00	—	18,000.00	—
Professor Udo GLITTENBERG	—	—	—	7,200.00	—	7,200.00	—

Notes:

- i. 10,449,548 shares were registered in the name of Peninsula International Limited and its nominee which held the same as nominee for the Captive Insurance Trust, a discretionary trust whose prospective beneficiaries included Mr. Hans-Joerg SEEBERGER and his family. 2,255,891,442 shares and warrants in the amount of \$29,675,219.00 were registered in the name of the Company and its nominee. By virtue of his interest in the Company pursuant to section 8 of the SDI Ordinance, Mr. Hans-Joerg SEEBERGER was deemed to be interested in these shares and warrants.
- ii. These shares and warrants were beneficially owned by Joshua Limited, a company which was wholly and beneficially owned by Mr. Peter Ka Yue LEE.
- iii. The options, exercisable at \$0.224 per share, were granted pursuant to Egana Jewellery's Executive Share Option Scheme.

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

DIRECTORS' INTERESTS IN SECURITIES (Cont'd)

Peace Mark (Holdings) Limited ("Peace Mark")

Name of Directors	Number of shares			Number of options
	Personal interests	Corporate interests	Total	Personal interests
Hans-Joerg SEEGER	—	606,413,551 <i>(Note i)</i>	606,413,551	—
Peter Ka Yue LEE	—	—	—	10,000,000 <i>(Note ii)</i>

Notes:

- i. The shares were held by wholly-owned subsidiaries of the Company. By virtue of his interest in the Company pursuant to section 8 of the SDI Ordinance, Mr. Hans-Joerg SEEGER was deemed to be interested in these shares.
- ii. The options were exercisable at \$0.10 per share pursuant to the share option scheme of Peace Mark.

Tonic Industries Holdings Limited ("Tonic")

Name of Directors	Number of shares			Number of options
	Personal interests	Corporate interests	Total	Personal interests
Hans-Joerg SEEGER	—	128,844,869 <i>(Note i)</i>	128,844,869	—
Peter Ka Yue LEE	—	—	—	1,810,000 <i>(Note ii)</i>

Notes:

- i. The shares were held by wholly-owned subsidiaries of the Company. By virtue of his interest in the Company pursuant to section 8 of the SDI Ordinance, Mr. Hans-Joerg SEEGER was deemed to be interested in these shares.
- ii. The options were exercisable at \$0.70 per share pursuant to the share option scheme of Tonic.

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(Amounts expressed in Hong Kong dollars unless otherwise stated)

DIRECTORS' INTERESTS IN SECURITIES *(Cont'd)*

Except that certain Directors held certain nominee shares in subsidiaries in trust for the Company or its subsidiaries as at 31st December, 2000, no Directors held an interest in the share capital of the Company or any of its subsidiaries other than those as disclosed above.

Save as disclosed above, as at 31st December, 2000, none of the Directors or chief executive or their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to section 28 of the SDI Ordinance (including interests which are deemed or taken to have under section 31 or Part I of the Schedule to the SDI Ordinance) or which are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein, and neither the Directors nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company or had exercised any such right during the year.

CONNECTED TRANSACTIONS

Details of the connected transactions for the year are set out in Note 4.b to the accompanying financial statements. The independent Non-executive Directors have reviewed the connected transactions set out in Notes 4.b (I) and (II), and confirmed that those transactions were:

- (i) in accordance with the terms of the agreements governing such transactions or, where there are no agreements, on terms no less favourable to the Company than terms available from independent third parties;
- (ii) in the ordinary and usual course of business of the Group;
- (iii) on normal commercial terms and fair and reasonable so far as the shareholders of the Company are concerned;
- (iv) within the amount calculated under the terms of the relevant agreements and, in respect of the Trading Transaction set out in Note 4.b(I)(ii) and the transactions set out in Note 4.b(II)(i), within relevant cap amounts as agreed by the Stock Exchange; and
- (v) in respect of the transactions set out in Note 4.b(II), in accordance with the Group's relevant pricing policies.

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

CONNECTED TRANSACTIONS *(Cont'd)*

In the opinion of the Directors, the transactions set out in Note 4.b(II) were conducted on normal commercial terms and in the ordinary and usual course of business of the Company.

Save as disclosed therein, there were no other transactions which needed to be disclosed as connected transactions in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company has a share option scheme, under which it may grant options to employees (including Executive Directors) of the Group to subscribe for shares in the Company. Details of the scheme are set out in Note 24 to the accompanying financial statements. Movements of the share options granted to the Company's Directors were as follows:

	Number of share options			
	Beginning of the year	Granted during the year	Exercised during the year	End of the year
Hans-Joerg SEEBERGER	—	120,000,000	—	120,000,000 <i>(Note i)</i>
Peter Ka Yue LEE	200,000	5,000,000	—	5,200,000 <i>(Note ii)</i>
Michael Richard POIX	380,000	5,000,000	—	5,380,000 <i>(Note iii)</i>
	580,000	130,000,000	—	130,580,000

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES *(Cont'd)*

Notes:

- i. The options were exercisable at any time during the period from 9th January, 2000 to 9th January, 2010 at a subscription price of \$0.211 per share.
- ii. 200,000 and 5,000,000 options were respectively exercisable at any time during the period from 6th April, 1994 to 6th April, 2004 at \$0.128 per share and from 9th January, 2000 to 9th January, 2010 at a subscription price of \$0.211 per share.
- iii. 380,000 and 5,000,000 options were respectively exercisable at any time during the period from 6th April, 1994 to 6th April, 2004 at \$0.128 per share and from 17th January, 2000 to 17th January, 2010 at a subscription price of \$0.211 per share.

Save as disclosed above, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

Except as disclosed below, no contracts, commitment or agreement of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year:

- a. A deed dated 19th September, 1992 and made between the Company, Mr. Hans-Joerg SEEBERGER and Mr. Siegfried Adalbert UNRUH, a former Director, under which Mr. SEEBERGER and Mr. UNRUH jointly and severally covenanted to indemnify the Company against any liabilities incurred by Eco Swiss China Time Limited, a subsidiary of the Company, in relation to any liabilities of Eco Swiss SpA and Contempo SpA.
- b. Mr. David Wai Kwong WONG is a director of International Taxation Advisory Services Limited, a company which received professional fees from the Group of approximately \$7,422,000 (inclusive of disbursements) during the year (1999 - \$7,927,000), in connection with the provision of taxation and corporate advisory services to the Group.

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Hans-Joerg SEEBERGER, aged 57, is the founder of the Group, Chairman and Chief Executive of the Company. He has more than 20 years' experience in the timepiece, jewellery and leather business in the Far East and Europe. He is responsible for formulating the Group's overall corporate policy and development strategy as well as for overseeing the Group's operations worldwide, particularly in the financial and marketing aspects.

Peter Ka Yue LEE, aged 54, is responsible for the financial and general management of the Group's Hong Kong operations. Before joining the Group, he worked as an executive in marketing and corporate management in several international companies in the consumer and manufacturing industries. He joined the Group in 1978.

Michael Richard POIX, aged 48, joined the Group in October 1988. He previously worked with a large German mail order house, a large German department store organisation as a foreign trader in their trade department and a retail company in Germany as the head of the purchasing department for watches, jewellery and electronics. He is responsible for the day-to-day operations of the Group's business and ensuring compliance with the Group's obligations under its brandname licences.

Non-executive Directors

David Wai Kwong WONG, aged 43, has over 20 years' experience in finance, accounting, corporate and taxation affairs. He is a fellow of the Association of Chartered Certified Accountants, and an associate of the Hong Kong Society of Accountants, the Australian Association of Practising Accountants and the Australasian Association of Secretaries and Managers. He is a director of International Taxation Advisory Services Limited and is also a non-executive director of Egana Jewellery and seven other Hong Kong listed companies.

Professor Udo GLITTENBERG, aged 57, is a professor in business administration, having studied in the United States and Europe. Before establishing two private business schools in Germany, he was the chief executive of a steel and plastics manufacturing group and a team leader in a Chinese-German government co-operation project in Shanghai, the People's Republic of China.

REPORT OF THE DIRECTORS

(Amounts expressed in Hong Kong dollars unless otherwise stated)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(Cont'd)*

Dr. Götz Reiner WESTERMEYER, aged 60, was previously the managing director of a major Japanese consumer electronics company based in Düsseldorf, Germany, for over 10 years, and had worked as an executive in charge of the consumer electronics division of a major conglomerate headquartered in Turkey. He is currently the executive of a German organisation representing certain interests from the Eastern Europe for consumer electronics products. He obtained his doctorate in joint venture management from Munich University. He has extensive experience in the import and distribution of consumer electronic products and other consumer products throughout Europe.

Biographical details of senior management of the Group are set out in Senior Management section on pages 14 to 17.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2000, the following entities (not being a Director or chief executive of the Company) held an interest of 10% or more in the issued share capital of the Company which is required to be recorded under section 16(1) of the SDI Ordinance:

Name	Number of issued shares	Percentage of issued share
Peninsula International Limited <i>(Note i)</i>	4,466,984,746	39.44%
Trustcorp Limited as trustee of the Captive Insurance Trust <i>(Note ii)</i>	4,466,984,746	39.44%

Notes:

- i. These shares were registered in the name of Peninsula International Limited and its nominee which held the shares as nominee for the Captive Insurance Trust, a discretionary trust whose prospective beneficiaries included Mr. Hans-Joerg SEEBERGER and his family.
- ii. Duplication of Peninsula International Limited's holding. Trustcorp Limited as trustee of the Captive Insurance Trust is taken to be interested in the said shares by virtue of its interest in the shares of Peninsula International Limited.

Save as disclosed above, as at 31st December, 2000, the Company was not notified by any persons who had an interest of 10% or more in the issued share capital of the Company which is required to be recorded under section 16(1) of the SDI Ordinance.

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AUDIT COMMITTEE

The Audit Committee, comprising not less than two independent Non-executive Directors, mainly focuses on the review and supervision of the Company's financial reporting process and internal controls.

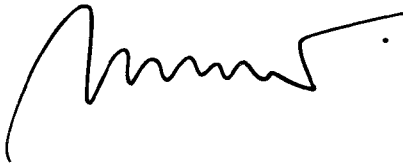
CODE OF BEST PRACTICE

Except that the Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the annual report, in compliance with Appendix 14 of the Listing Rules.

AUDITORS

The financial statements for the year ended 31st December, 2000 were audited by Messrs. Arthur Andersen & Co. A resolution for the re-appointment of Messrs. Arthur Andersen & Co as the Company's auditors for the ensuing year is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



Hans-Joerg SEEBERGER

Chairman and Chief Executive

Hong Kong, 26th April, 2001.