



### Dear Shareholders,

It is my pleasure to report for the period from 1 April 2000 to 30 September 2001.

It was a period of drastic changes to improve Theme. The changes were deep and wide. Changes in production management enabled us to reduce our merchandise cost. Production cycle has also been reduced to enable us to introduce quick response mechanism. Our overhead was slashed. However, it has taken longer time than we expected to improve and fully integrate design and merchandising with retailing. The effects of some of the changes were reflected in the financials, while others are yet to be realized.

Now that our Group is lean and quick response system is in place. We sharpen our clear focus on design and merchandise. We continue to focus our expansion in the fast growing, but competitive, China market.

I want to take this opportunity to thank my fellow directors, the management and our staff for their cooperation and hard work they have put in our Group. I also want to thank our business partners, suppliers, bankers and our shareholders for their support.

### Lam Foo Wah

*Executive Chairman*

Hong Kong, 14 January 2002

