

The directors present their annual report and the audited financial statements for the year ended 31st March, 2002.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. Its subsidiaries are principally engaged in the manufacture and marketing of mould bases and the trading of metal and parts.

### RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company for the year are set out in the consolidated income statement on page 21.

An interim dividend of HK3 cents per share amounting to approximately HK\$15 million was paid to shareholders during the year. The directors now recommend the payment of a final dividend of HK5 cents per share payable to shareholders registered on 9th September, 2002, amounting to approximately HK\$24 million.

### FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 62.

### INVESTMENT PROPERTIES

The Group's investment properties at 31st March, 2002 were revalued by an independent firm of professional property valuers on an open market value basis. Details of movements in the investment properties of the Group during the year are set out in note 13 to the financial statements.

### PROPERTY, PLANT AND EQUIPMENT

During the year, the Group constructed factory premises and staff quarters at a cost of approximately HK\$10 million. The Group continued its plant expansion policy and expended approximately HK\$50 million on new plant and machinery and approximately HK\$14 million on furniture, fixtures and fittings during the year. Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 14 to the financial statements.

### MAJOR PROPERTIES

Details of the major properties of the Group at 31st March, 2002 are set out on pages 63 to 65 of the annual report.

### SHARE CAPITAL

Details of the Company's share capital are set out in note 28 to the financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

Since the Group has a very wide customer base, the aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total turnover for the year.

The Group's largest supplier contributed 25% to the total purchases for the year. The Group's five largest suppliers accounted for 52% of the total purchases for the year.

At no time during the year did a director, an associate of a director or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers.

## COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31st March, 2002 with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

## DIRECTORS AND SERVICE CONTRACTS

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

### Executive directors

Siu Tit Lung (*Chairman*)

Siu Yuk Lung (*Managing Director*)

Mak Koon Chi

Wai Lung Shing

Fung Wai Hing

### Non-executive director

Chan Chun Sing, Colin

### Independent non-executive directors

Liu Wing Ting, Stephen, JP

Lee Tat Yee

In accordance with Clauses 87(1) and 169(2) of the Company's Bye-Laws, Mr. Mak Koon Chi and Mr. Wai Lung Shing retire from office by rotation and, being eligible, offer themselves for re-election.

The term of office for each non-executive director and independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-Laws.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## BRIEF DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### Executive directors

Mr. Siu Tit Lung, aged 52, elder brother of Mr. Siu Yuk Lung, has been the chairman of the Company since December 1992 and is a co-founder of the Group. Mr. Siu is responsible for the overall strategic planning and corporate development of the Group. He has over 32 years of experience in metal trading and mould base manufacturing. He was awarded the Young Industrialist Award of Hong Kong in 1993. He is also an honorary citizen of Dongguan City and Heyuan City in the PRC.

Mr. Siu Yuk Lung, aged 49, younger brother of Mr. Siu Tit Lung, has been the managing director of the Company since December 1992 and is a co-founder of the Group. Mr. Siu is responsible for policy making and the corporate management of the Group. He has over 30 years of experience in metal trading and mould base manufacturing. He has, since 1995, been serving as a member of the Executive Committee of the Hong Kong Mould Association. He is also an honorary citizen of Heyuan City in the PRC.

Mr. Mak Koon Chi, aged 44, has been an executive director of the Company since December 1992 and is a senior member and past Chairman of the Society of Manufacturing Engineers (Hong Kong Chapter). Mr. Mak is responsible for policy making, marketing and manufacturing of the Group and has many years of experience in mould base manufacturing. Mr. Mak graduated from Murdoch University with a Master of Business Administration Degree.

Mr. Wai Lung Shing, aged 41, has been an executive director of the Company since December 1992 and is responsible for the policy making, finance and administration functions of the Group. Mr. Wai graduated from the Hong Kong Polytechnic University with a Bachelor of Arts (Hons.) Degree in Accountancy and from the University of Warwick with a Master of Business Administration Degree. He is a fellow of both the Hong Kong Society of Accountants and the Chartered Association of Certified Accountants. He has extensive experience in accounting, finance and management with both international accounting firms and commercial organisations.

Mr. Fung Wai Hing, aged 49, has been an executive director of the Company since August 1997 and is responsible for policy making and trading business of the Group. Mr. Fung graduated from the University of Birmingham with a Master of Science Degree in Industrial Management and from the University of Hong Kong with a Master of Business Administration Degree. He is currently one of the directors and past president of the Institute of Industrial Engineers (Hong Kong Chapter). He is also a senior member of the Society of Manufacturing Engineers (Hong Kong Chapter). He has extensive experience in trading business, particularly machinery trading.

### Non-executive director

Mr. Chan Chun Sing, Colin, aged 48, has been appointed to the Board of the Company since December 1992. He is a non-executive director of the Company. Mr. Chan graduated from the University of Toronto with a Bachelor of Science (Hons.) Degree in Engineering and from the Chinese University of Hong Kong with a Master of Business Administration Degree. He has many years of experience in the information technology industry.

## BRIEF DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Cont'd)

### Independent non-executive directors

Mr. Liu Wing Ting, Stephen, Justice of Peace, aged 50, has been an independent non-executive director of the Company since December 1992. Mr. Liu has been practising as a certified public accountant for many years and is a founder director of Hong Kong Aids Foundation Limited and a member of the Prince of Wales Hospital Governing Committee of the Hospital Authority. He is a fellow of both the Hong Kong Society of Accountants and the Chartered Association of Certified Accountants. He has wide experience in auditing, taxation and financial management in various fields and industries. He is the Chairman of the Audit Committee.

Dr. Lee Tat Yee, aged 54, has been an independent non-executive director of the Company since December 1992. Dr. Lee obtained his doctorate degree from the University of Queensland and is a Chartered Engineer of the Engineering Council in the United Kingdom. Dr. Lee is currently a director of the Technology Support Centre of the University of Hong Kong specialising in quality assurance management systems.

### Others

Mr. Chng Hee Kok, aged 54, is an independent non-executive director of Lung Kee Metal Holdings Limited ("LKMH"), a subsidiary of the Company, which is listed on the Singapore Exchange Securities Trading Limited. Mr. Chng obtained a Bachelor of Engineering (Mechanical), First Class Honours Degree and a Master of Business Administration Degree from the National University of Singapore in 1972 and 1984 respectively. He is the recipient of the Institution of Engineers, Singapore, Gold Medal (1972) and the Distinguished Engineering Alumni Award (1991). He is the Chief Executive Officer of NTUC Club. He was a Member of Parliament, Singapore from 1984–2001. Presently, he is a Director and council member of the Singapore Institute of Directors and the member of the Sentosa Development Corporation and a Board Director of a number of public listed companies.

Mr. Lee Joo Hai, aged 46, is an independent non-executive director of LKMH. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants, the Institute of Certified Public Accountants of Singapore and a member of the Singapore Institute of Directors. He has extensive experience in accounting, auditing, taxation and company secretarial work. He is presently a partner in a public accounting firm.

## DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

At 31st March, 2002, the interests of the directors and their associates in the share capital of the Company and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies and in the share options of the Company were as follows:

### Shares

| Name of director                | Number of ordinary shares held |                  |                     |                 |
|---------------------------------|--------------------------------|------------------|---------------------|-----------------|
|                                 | Personal interests             | Family interests | Corporate interests | Other interests |
| Siu Tit Lung (Notes 1, 2 and 4) | 58,933,155                     | —                | —                   | 246,093,750     |
| Siu Yuk Lung (Notes 1, 3 and 4) | 58,933,155                     | —                | —                   | 246,093,750     |
| Mak Koon Chi                    | 3,375,000                      | —                | —                   | —               |
| Wai Lung Shing                  | 3,375,000                      | —                | —                   | —               |
| Fung Wai Hing                   | 1,265,625                      | —                | —                   | —               |

**DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Cont'd)****Shares (Cont'd)***Notes:*

- (1) Messrs. Siu Tit Lung and Siu Yuk Lung jointly held 56,105,030 shares in the Company and each owned a further 2,828,125 shares in the Company registered in their own name.
- (2) Rickdee Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Mr. Siu Tit Lung other than Mr. Siu Tit Lung himself are beneficiaries, held 46,875,000 shares in the Company.
- (3) Robin Hill Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Mr. Siu Yuk Lung other than Mr. Siu Yuk Lung himself are beneficiaries, held 46,875,000 shares in the Company.
- (4) Pan Island Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Messrs. Siu Tit Lung and Siu Yuk Lung other than Messrs. Siu Tit Lung and Siu Yuk Lung themselves are beneficiaries, held 199,218,750 shares in the Company.
- (5) At 31st March, 2002, Mr. Siu Tit Lung and Mr. Siu Yuk Lung jointly held 1,875,000 shares in LKM<sup>H</sup> and each owned a further of 500,000 shares in LKM<sup>H</sup>.
- (6) At 31st March, 2002, Messrs. Mak Koon Chi and Wai Lung Shing each held 562,500 shares in LKM<sup>H</sup>.

In addition, Mr. Siu Tit Lung and Mr. Siu Yuk Lung hold non-voting deferred shares in certain of the Company's subsidiaries as set out in note 39 to the financial statements.

Directors' interests in the share options granted by the Company are set out in the section "Share Options" in the Directors' report.

Save as disclosed above, and other than certain nominee shares in subsidiaries held in trust for the Group, at 31st March, 2002, (i) none of the directors or their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance; and (ii) none of the directors or their spouses or children under 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

**Share Options**

- (i) The Company's share option scheme (the "LKBH Scheme") was adopted pursuant to a resolution passed on 11th February, 1993, under which the Board of Directors of the Company may grant options to eligible employees, including executive directors, of the Company and its subsidiaries, to subscribe for shares in the Company at a price equal to the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on the Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of the grant of the options. The LKBH Scheme will expire on 10th February, 2003. The maximum number of shares in respect of which options may be granted under the LKBH Scheme shall not exceed 10% of the issued share capital of the Company from time to time.

Share options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 for each grant of share option. Options granted are exercisable for a period of 3 years commencing on the expiry of 6 months after the date the options are granted.

At 31st March, 2002, the Company did not have any outstanding options under the LKBH Scheme.

## DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Cont'd)

### Share Options (Cont'd)

The following table discloses movements in the Company's share options during the year:

| Category 1: Directors | Number of share options |                           |                        |                     | Date of grant      | Exercisable period                           | Exercise price per share HK\$ |
|-----------------------|-------------------------|---------------------------|------------------------|---------------------|--------------------|----------------------------------------------|-------------------------------|
|                       | At 1st April, 2001      | Exercised during the year | Lapsed during the year | At 31st March, 2002 |                    |                                              |                               |
| Siu Tit Lung          | 375,000                 | —                         | (375,000)              | —                   | 1st November, 1997 | 1st May, 1998 to 30th April, 2001            | 1.492                         |
|                       | 375,000                 | —                         | (375,000)              | —                   | 3rd March, 1998    | 3rd September, 1998 to 2nd September, 2001   | 0.964                         |
|                       | 750,000                 | —                         | (750,000)              | —                   |                    |                                              |                               |
| Siu Yuk Lung          | 375,000                 | —                         | (375,000)              | —                   | 1st November, 1997 | 1st May, 1998 to 30th April, 2001            | 1.492                         |
|                       | 375,000                 | —                         | (375,000)              | —                   | 3rd March, 1998    | 3rd September, 1998 to 2nd September, 2001   | 0.964                         |
|                       | 750,000                 | —                         | (750,000)              | —                   |                    |                                              |                               |
| Mak Koon Chi          | 375,000                 | —                         | (375,000)              | —                   | 1st November, 1997 | 1st May, 1998 to 30th April, 2001            | 1.492                         |
|                       | 375,000                 | —                         | (375,000)              | —                   | 3rd March, 1998    | 3rd September, 1998 to 2nd September, 2001   | 0.964                         |
|                       | 375,000                 | (375,000)                 | —                      | —                   | 29th March, 1999   | 29th September, 1999 to 28th September, 2002 | 0.440                         |
|                       | 500,000                 | (500,000)                 | —                      | —                   | 26th April, 1999   | 26th October, 1999 to 25th October, 2002     | 0.580                         |
|                       | 1,625,000               | (875,000)                 | (750,000)              | —                   |                    |                                              |                               |
| Wai Lung Shing        | 375,000                 | —                         | (375,000)              | —                   | 1st November, 1997 | 1st May, 1998 to 30th April, 2001            | 1.492                         |
|                       | 375,000                 | —                         | (375,000)              | —                   | 3rd March, 1998    | 3rd September, 1998 to 2nd September, 2001   | 0.964                         |
|                       | 375,000                 | (375,000)                 | —                      | —                   | 29th March, 1999   | 29th September, 1999 to 28th September, 2002 | 0.440                         |
|                       | 500,000                 | (500,000)                 | —                      | —                   | 26th April, 1999   | 26th October, 1999 to 25th October, 2002     | 0.580                         |
|                       | 1,625,000               | (875,000)                 | (750,000)              | —                   |                    |                                              |                               |
| Fung Wai Hing         | 375,000                 | —                         | (375,000)              | —                   | 1st November, 1997 | 1st May, 1998 to 30th April, 2001            | 1.492                         |
|                       | 375,000                 | —                         | (375,000)              | —                   | 3rd March, 1998    | 3rd September, 1998 to 2nd September, 2001   | 0.964                         |
|                       | 375,000                 | (375,000)                 | —                      | —                   | 29th March, 1999   | 29th September, 1999 to 28th September, 2002 | 0.440                         |
|                       | 500,000                 | (500,000)                 | —                      | —                   | 26th April, 1999   | 26th October, 1999 to 25th October, 2002     | 0.580                         |
|                       | 1,625,000               | (875,000)                 | (750,000)              | —                   |                    |                                              |                               |
| Sub-total             | 6,375,000               | (2,625,000)               | (3,750,000)            | —                   |                    |                                              |                               |

## DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Cont'd)

## Share Options (Cont'd)

| Category 2: Employees | Number of share options |                           |                        |                     | Date of grant      | Exercisable period                           | Exercise price per share HK\$ |
|-----------------------|-------------------------|---------------------------|------------------------|---------------------|--------------------|----------------------------------------------|-------------------------------|
|                       | At 1st April, 2001      | Exercised during the year | Lapsed during the year | At 31st March, 2002 |                    |                                              |                               |
|                       | 2,587,500               | —                         | (2,587,500)            | —                   | 1st November, 1997 | 1st May, 1998 to 30th April, 2001            | 1.492                         |
|                       | 2,331,250               | —                         | (2,331,250)            | —                   | 3rd March, 1998    | 3rd September, 1998 to 2nd September, 2001   | 0.964                         |
|                       | 62,500                  | (62,500)                  | —                      | —                   | 29th March, 1999   | 29th September, 1999 to 28th September, 2002 | 0.440                         |
|                       | 62,500                  | (62,500)                  | —                      | —                   | 26th April, 1999   | 26th October, 1999 to 25th October, 2002     | 0.580                         |
| Sub-total             | 5,043,750               | (125,000)                 | (4,918,750)            | —                   |                    |                                              |                               |
| Total                 | 11,418,750              | (2,750,000)               | (8,668,750)            | —                   |                    |                                              |                               |

During the year, the Directors were not granted any share options of the Company.

- (ii) A subsidiary of the Company, LKMH, also has a share option scheme (the "LKMH Scheme"), which was adopted pursuant to a resolution passed on 30th July, 1997, revised in August 2000 with details as stated in the circular of LKMH of Shareholders dated 15th August, 2000, under which the Board of Directors of LKMH may grant options to eligible employees, including executive directors, of LKMH and its subsidiaries, to subscribe for shares in LKMH at a price equal to the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on the Main Board of Singapore Exchange Securities Trading Limited on the five trading days immediately preceding the date of the grant of the options. The LKMH Scheme will expire on 29th July, 2007. The maximum number of shares in respect of which options may be granted under the LKMH Scheme shall not exceed 10% of the issued share capital of LKMH from time to time.

Share options granted must be taken up within 28 days of the date of grant, notional consideration was paid for each grant of share option. Options granted are exercisable for a period of 4 years commencing on the expiry of 12 months after the date the options are granted.

At 31st March, 2002, the number of unexercised options under the LKMH Scheme was 12,718,750, representing 5.1% of the shares of LKMH in issue at that date.

## DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (Cont'd)

### Share Options (Cont'd)

The following table discloses movements in the LKMH share options during the year:

|                              | Number of share options |                           |                     | Date of grant       | Exercisable period                         | Exercise price per share S\$ |
|------------------------------|-------------------------|---------------------------|---------------------|---------------------|--------------------------------------------|------------------------------|
|                              | At 1st April, 2001      | Exercised during the year | At 31st March, 2002 |                     |                                            |                              |
| <b>Category 1: Directors</b> |                         |                           |                     |                     |                                            |                              |
| Mak Koon Chi                 | 562,500                 | —                         | 562,500             | 15th January, 1998  | 15th January, 1999 to 14th January, 2003   | 0.564                        |
|                              | 562,500                 | —                         | 562,500             | 23rd December, 1999 | 23rd December, 2000 to 22nd December, 2004 | 0.592                        |
|                              | 562,500                 | —                         | 562,500             | 7th August, 2000    | 7th August, 2001 to 6th August, 2005       | 0.508                        |
|                              | 1,687,500               | —                         | 1,687,500           |                     |                                            |                              |
| Wai Lung Shing               | 562,500                 | —                         | 562,500             | 15th January, 1998  | 15th January, 1999 to 14th January, 2003   | 0.564                        |
|                              | 562,500                 | —                         | 562,500             | 23rd December, 1999 | 23rd December, 2000 to 22nd December, 2004 | 0.592                        |
|                              | 562,500                 | —                         | 562,500             | 7th August, 2000    | 7th August, 2001 to 6th August, 2005       | 0.508                        |
|                              | 1,687,500               | —                         | 1,687,500           |                     |                                            |                              |
| Sub-total                    | 3,375,000               | —                         | 3,375,000           |                     |                                            |                              |
| <b>Category 2: Employees</b> |                         |                           |                     |                     |                                            |                              |
|                              | 2,150,000               | —                         | 2,150,000           | 15th January, 1998  | 15th January, 1999 to 14th January, 2003   | 0.564                        |
|                              | 70,000                  | (70,000)                  | —                   | 14th August, 1998   | 14th August, 1999 to 13th August, 2003     | 0.220                        |
|                              | 3,712,500               | —                         | 3,712,500           | 23rd December, 1999 | 23rd December, 2000 to 22nd December, 2004 | 0.592                        |
|                              | 3,481,250               | —                         | 3,481,250           | 7th August, 2000    | 7th August, 2001 to 6th August, 2005       | 0.508                        |
| Sub-total                    | 9,413,750               | (70,000)                  | 9,343,750           |                     |                                            |                              |
| Total                        | 12,788,750              | (70,000)                  | 12,718,750          |                     |                                            |                              |

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES OF SIGNIFICANCE

Other than the share option schemes disclosed above, at no time during the year was the Company or any of 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 debt securities (including debentures) of, the Company or any other body corporate.



## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

There were no contracts 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, subsisting at the end of the year or at any time during the year.

## CONNECTED TRANSACTIONS

- (1) During the year, the Group had the following transactions with non-wholly owned subsidiaries:

|                                           | HK\$'000 |
|-------------------------------------------|----------|
| Sales                                     | 66,710   |
| Purchases                                 | 19,764   |
| Transfer of property, plant and equipment | 4        |
| Rental income                             | 1,860    |
| Rental expenses                           | 2,224    |
| Cost sharing                              | 18,481   |
| Interest expenses                         | 3        |

- (2) At 31st March, 2002, joint and several guarantees were given by the Group, together with the relevant minority shareholders, to two non-wholly owned subsidiaries as follows:
- Sky Lucky Steel Limited to the extent of HK\$1,000,000; and
  - Sky Lucky Metal Limited to the extent of HK\$11,000,000.
- (3) During the year, the Group purchased materials and machinery from JMS Engineering Co., Ltd. ("JMS") amounting to approximately HK\$28,270,000 and HK\$6,790,000 respectively. One of the controlling shareholders of JMS is also a director of Lung Kee Metal Japan Company Limited ("LKM Japan").
- (4) At 31st March, 2002, a banking facility of the Group amounting to HK\$14,714,000 was guaranteed jointly and severally by JMS and LKMH without charge. The guarantee executed by JMS has been released after 31st March, 2002.
- (5) In January 2002, Lung Kee International Limited, a subsidiary of the Company, has acquired the remaining 49% interest of LKM Japan from JMS at a consideration of approximately HK\$6,200,000.
- (6) At 31st March, 2002, a banking facility of the Group amounting to HK\$22,550,000 was guaranteed jointly and severally by a minority shareholder of Taiwan Supertech Industrial Company Limited ("Supertech") and LKMH without charge. The minority shareholder of Supertech is also a director of Supertech.

The independent non-executive directors have reviewed the above connected transactions and in their opinion, the above transactions entered into by the Group were:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or on terms that are fair and reasonable so far as the shareholders of the Company are concerned;

### CONNECTED TRANSACTIONS (Cont'd)

- (c) in accordance with the terms of the agreements governing such transactions or on terms no less favourable than terms available to third parties; and
- (d) within the relevant cap amounts as agreed by The Stock Exchange of Hong Kong Limited.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

### SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of certain directors, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no person as having an interest in 10% or more in the issued share capital of the Company as at 31st March, 2002.

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

At no time during the year, did the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

### CHARITABLE DONATIONS

During the year, the Group made charitable donations totalling approximately HK\$238,000.

### PRE-EMPTIVE RIGHTS

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

### AUDITORS

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

On behalf of the Board

**Siu Yuk Lung**

*Director*

Hong Kong, 27th June, 2002