

## Chairman's Statement

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To the Shareholders,

On behalf of the Board, I am pleased to present the annual report of Rising Development Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2002.

### **RESULTS**

For the year ended 31st March 2002, the Group had turnover of HK\$145,428,000 (2001: HK\$155,570,000) and net profit attributable to shareholders of HK\$20,096,000 (2001: HK\$15,451,000), representing an increase of 30% compared to the corresponding period last year.

### **FINAL DIVIDEND**

The Board has recommended to pay a final dividend of HK1.8 cents per share (2001:HK1 cent) for the year ended 31st March 2002 to shareholders whose names appear on the register of members on 15th August 2002, subject to the approval of shareholders at the forthcoming annual general meeting on 23rd August 2002. This final dividend, together with the interim dividend of HK1 cent per share paid on 15th January 2002, represents a total dividend HK2.8 cents (2001: HK2.2 cents) for year 2002.

### **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Friday, 16th August 2002 to Friday, 23rd August 2002, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming Annual General Meeting and payment of final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong not later than 4:00 p.m. on Thursday, 15th August 2002.

### **RESULTS AND OPERATION REVIEW**

I am pleased to report that net profit attributable to shareholders and basic earnings per share for the year were HK\$20,096,000 and HK5 cents respectively.

In light of a competitive market and the pressure from customers for reductions in price, added to the rising price of fur, the management implemented a series of reforms to its production and management policies, to improve product quality and to develop unique production technologies, so as to enhance efficiencies and effectiveness in both its garment manufacturing and sales of fur segments.

Turnover from its fur trading segment remained largely the same as the previous year, although due to the increased competition in the China market, we have scaled down our distribution businesses in Mainland China so as to minimise its operating risks which resulted in a fall in turnover. Despite the fact that the Japan market remains sluggish and that the North America market is yet to see its recovery after the attack on 11th September 2001, the Group continued to generate stable turnover, attributed to its successful marketing strategies, particularly in Korea and Russia, where exceptionally satisfactory results were recorded.

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### **PROSPECTS**

Looking ahead, we are very optimistic on the Group's future business developments and adopt cautious approach towards enhancing its existing businesses and will continue to seek for more opportunities.

In respect to existing businesses, the Group maintains a consistent high level of product quality, satisfying if not beyond the needs of its customers in every aspect, whether product design, quality or after-sales services, and continues to gain continuous support and trust from its customers. Orders from various regions around the globe, of which Korea and Russia in particular, are expected to continue to increase.

As for product development and manufacturing, the Group will continue to focus on the development of new and unique designs and technologies, so as to secure its position as the leading player in the market with its innovative designs and technologies.

With the implementation of consistent strategies such as maintaining a solid financial base and a prudent yet aggressive strategies, we target to improve our competitiveness and generate better returns for the shareholders. Furthermore, in order to enhance our production and management efficiencies, we will be dedicating more resources on new technologies on management systems.

Due to the impacts of a globally weak economy and a generally dull business environment, we will adopt a more prudent approach in line with our usual practices so as to reduce risks. Nonetheless, we will continue to seek for opportunities and enhance the Group's core businesses by way of acquisitions, merges and investments in high return or high margins industries should suitable opportunities arise.

### **ACKNOWLEDGEMENT**

On behalf of the Board, I would like to express our thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also like to express our gratitude to our Directors and staffs for their dedications and commitments during the year.

On behalf of the Board

**Ng Ngan Lung**

*Chairman*

Hong Kong, 16th July, 2002