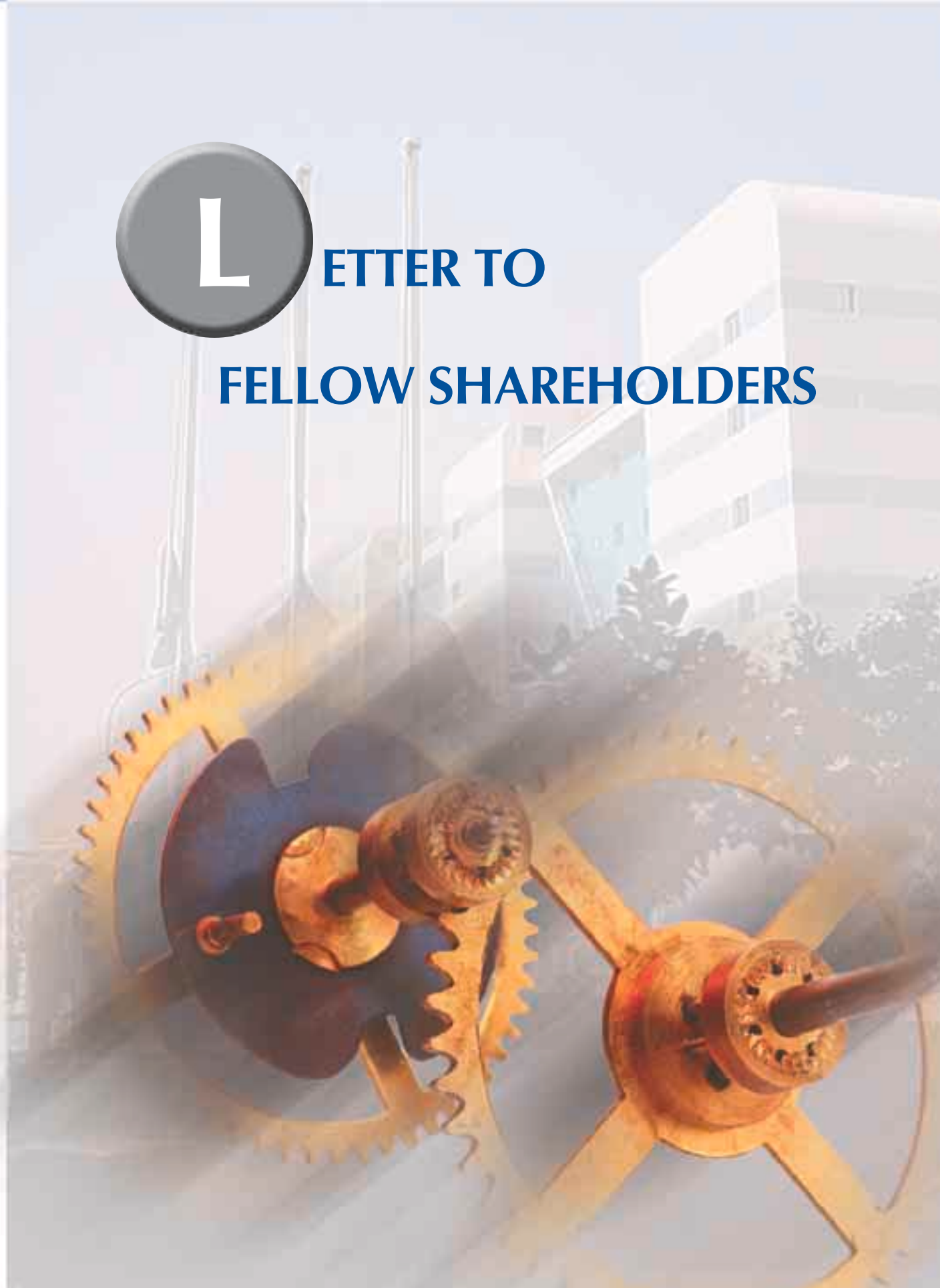




**ETTER TO**

**FELLOW SHAREHOLDERS**





**Dr. Robert Hing-Piu Fung,**  
Chairman

### DEAR FELLOW SHAREHOLDERS,

Over the past five years, Dransfield Holdings Limited (“DHL”) has been operating under a daunting period of time during which the Group has sustained considerable losses. In order to strengthen its core and transform its business, DHL has had to undergo a series of significant management changes.

For the fiscal year 2002, the first vital change was the appointment of a new board of management. This was essential to help set a solid foundation so that the Group’s business could be transformed. Immediately upon their appointment, the new management instituted a series of drastic actions which included the following: 1) the disposal of all non-core and non-profit generating assets; 2) the strengthening of management control in all operating subsidiaries; 3) the re-establishment and re-focus on major core business; and 4) the reduction of the Group’s debt. These firm measures have been well received by the market and have continued to be reflected in the Company’s share price.

The 31 March 2001 audit report stated that the inherent uncertainties surrounding the circumstances under which the Group might continue to operate on a going concern basis were so extreme that the auditors disclaimed their opinion. According to the unaudited interim report of the Group for the six months ended 30 September 2001, the financial position had further deteriorated. In order to strengthen the financial position of the Group, on 8 January 2002, DHL entered into a Subscription Agreement with DiChain Systems Limited (“DSL”). The Directors believe that the subscription scheme, if fully implemented, will allow DHL to re-capitalise its balance sheet and will substantially improve the cash flow position and relieve the current liquidity problems of the Group.

The marriage between DHL and DSL has already created a solid foundation from which we can cultivate and develop the Group’s core business in the area of logistics and warehousing activities. Focusing the core capabilities of DSL in the field of e-Logistics and Information Technologies, DHL intends to further develop this aspect of the business which will constitute to the region’s strategic positioning of Hong Kong and China as an Asian logistic hub. Currently, the Group’s logistics centre, which has been operating at only 15% of capacity, shows enormous prospect for development and growth. In order to attain its maximum potential, the new shareholders of DHL have already set a clear commitment to develop the centre into one with high international standards.

The Directors of DSL believe that the warehousing business of DHL is complimentary to the e-commerce based logistics management operations of DSL. Providing total solutions for applications in logistics operations and supply chain management for various industries, DSL intends to see that DHL continues to focus in its warehousing and logistics service business and explore new business opportunities upon the completion of the subscription scheme.

At the appropriate time, DSL will consider the future of other DHL businesses such as the edible oil, brewery, trading and vending machine businesses. It is intended that all the existing businesses as mentioned above will continue to operate for the time being.

At the Court Meeting and the Special General Meeting of the shareholders of the Company held on 22 July 2002, the Scheme was approved by the shareholders of the Company. It is expected that the Scheme will become effective when a copy of the Court Order under section 99(2) of the Companies Act sanctioning the Scheme has been delivered to the Registrar of Companies in Bermuda for registration, which is expected to be on or about 26 August 2002.

With the on going changes of the past year, I would like to take this opportunity to thank the whole management team for their hard work. Operating under such difficult economic situations in the past few months and also during the corporate restructuring, we must thank them for their dedication and confidence in the Company's future. Management firmly believes in the vast opportunities ahead, DHL is now recommitted and repositioned to become one of the premier logistics centres of this region.

**Robert Fung Hing Piu**

*Chairman*

Hong Kong, 23 July 2002