

## *Chairman's Statement*

Turnover for the fifteen months ended 31 December 2002 was HK\$2,173 million. Net loss attributable to shareholders was HK\$23 million, compared to a reported profit of HK\$102 million last year. After writing off Theme's goodwill of HK\$58 million, the adjusted profit of the year 2001 was HK\$44 million.



The Board of Directors recommended a final dividend of one HK cent per share.

During the past two years, we deepened the re-engineering of our Group's entire operation. We intensified our aggressive marketing initiatives to keep us ahead in our industry. The strategic combination of our expanded product base, customer base and tailored customer service will effectively propel the business growth of our core manufacturing, private labels and August Silk in 2003.

We have heightened our emphasis on developing, energising our marketing team to expand Theme's franchise network in the PRC. Early signs of our investment in this area are encouraging. We expect our growing franchise network will pave the way for a breakthrough in our retail business.

The magnitude of the adverse impact on local and global economies brought by the Iraqi war and the SARS disease is hard to predict. Nevertheless, we are taking new initiatives to overcome the challenges ahead. We are optimistic about 2003.



I want to thank our shareholders, fellow board members, management and staff, as well as our business partners for their support and contribution to the Group during the period. Lastly, I must express our greatest sorrow for the passing away of Mr. H K Poon, the Honorary Chairman of our Group. We will never forget Mr. Poon's enormous contribution to High Fashion.

**Lam Foo Wah**  
*Chairman*

Hong Kong, 14 April 2003