

董事會提呈截至二零零三年三月三十一日止年度之年報及經審核之財務報表。

主要業務

本公司為一家投資控股公司。其附屬公司及聯營公司之主要業務分別載於財務報表附註15及16。

主要客戶及供應商

於截至二零零三年三月三十一日止年度，本集團五大客戶應佔營業額合共不足本集團總營業額之21%。最大客戶之銷售額於其中約佔5%。

五大供應商佔總採購額41%，而最大供應商佔12%。

於本年度內之任何時候，並無任何董事、其關連人士或股東（據董事所知擁有本公司股本5%以上）擁有本集團五大供應商之權益。

業績及股息

本集團截至二零零三年三月三十一日止年度之業績載於第20頁之綜合損益表中。

董事會建議不派發股息。

財務摘要

本集團截至二零零三年三月三十一日止五個財政年度之業績、資產及負債之概要載於本年報之第68及69頁。

固定資產

本年度內本集團之固定資產之重大變動詳情分別載於財務報表附註14。

儲備

有關本年度內本集團及本公司儲備之變動詳情載於財務報表附註24。

The Board of Directors submit their report and audited financial statements for the year ended 31 March 2003.

Principal Activity

The Company acts as an investment holding company. The principal activities of its subsidiaries and associate are set out in notes 15 and 16 to the financial statements.

Major Customers and Suppliers

For the year ended 31 March 2003, the aggregate amount of turnover attributable to the Group's five largest customers represented less than 21% of the Group's total turnover. The sales to the largest customer included therein amounted to approximately 5%.

The five largest suppliers comprised 41% of the total purchases while the largest supplier accounted for 12%.

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest suppliers at any time during the year.

Results and Dividends

The results of the Group for the year ended 31 March 2003 are set out in the consolidated income statement on page 20.

The Board of Directors do not recommend the payment of a dividend.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years ended 31 March 2003 is set out on pages 68 and 69 of the annual report.

Fixed Assets

Details of significant changes in the fixed assets of the Group during the year are set out in note 14 to the financial statements.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 24 to the financial statements.

董事

本年度內及截至本報告發表日期止之本公司董事姓名如下：

執行董事：

李蕭毓娟女士（於二零零二年七月二十九日辭任）
楊活生先生（於二零零二年七月二日獲委任並於二零零三年一月八日辭任）

李三元先生
CALLISTER, Stephen William 先生
吳鳳英女士
吳海鎮先生

非執行董事：

孫秉樞博士 MBE, JP

獨立非執行董事：

宋潤霖先生（於二零零二年七月二十九日辭任）
鄭樹榮先生（於二零零二年七月二十九日辭任）
林楚華先生（於二零零二年七月二日獲委任並於二零零三年一月八日辭任）
何振潛先生（於二零零二年七月二日獲委任並於二零零三年一月八日辭任）
勞明智先生 JP（於二零零二年十二月十七日獲委任）
黃國泰先生（於二零零二年十二月十七日獲委任）

按照本公司之公司組織章程細則，吳鳳英女士、吳海鎮先生、勞明智先生及黃國泰先生於即將舉行之股東週年大會上辭去董事會職務，惟有資格並願意膺選連任。

各非執行董事之任期直至按照本公司之公司組織章程細則輪值告退之日為止。

捐獻

本年度內本集團之捐獻金額為港幣640,000元。

Directors

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

Executive directors:

Mrs. LEE Shiao Yu Cho (resigned on 29 July 2002)
Mr. YEUNG Wood Sang (appointed on 2 July 2002 and resigned on 8 January 2003)
Mr. LEE Sam Yuen, John
Mr. CALLISTER, Stephen William
Ms. NG Fung Ying
Mr. NG Hoi Chun

Non-executive director:

Dr. SUN Ping Hsu, Samson MBE, JP

Independent non-executive directors:

Mr. SUNG Yuen Lam, William (resigned on 29 July 2002)
Mr. CHENG Shu Wing (resigned on 29 July 2002)
Mr. LUM Chor Wah, Richard (appointed on 2 July 2002 and resigned on 8 January 2003)
Mr. HE Zhenqian (appointed on 2 July 2002 and resigned on 8 January 2003)
Mr. LO Ming Chi, Charles JP (appointed on 17 December 2002)
Mr. WONG Kwok Tai (appointed on 17 December 2002)

In accordance with the provisions of the Company's Articles of Association, Ms. NG Fung Ying, Mr. NG Hoi Chun, Mr. LO Ming Chi, Charles and Mr. WONG Kwok Tai shall retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

Donations

Donations made by the Group during the year amounted to HK\$640,000.

董事及高級管理人員之簡介

董事

李三元先生，現年53歲，為本公司董事總經理，負責本集團行政、營業、採購及市場推廣業務。李先生於一九七四年加入本集團，自一九七九年大華皮革貿易有限公司註冊成立以來一直出任其董事。李先生擁有美國Purdue University管理學士學位及Southern California University商科名譽博士學位。李先生乃本集團之創辦人李達先生之公子。

CALLISTER, Stephen William先生，現年53歲，為本公司董事，具有超過23年國際貿易及市場推廣經驗，並持有澳洲Macquarie University工商管理學碩士學位，為澳洲會計師公會資深會員。Callister先生於一九九三年加入本集團。

吳鳳英女士，現年53歲，負責本集團手袋部門之生產及分銷工作。吳女士在皮革業擁有超過34年豐富經驗，吳女士於一九八一年加入本集團，亦為本集團附屬公司董事。吳女士為吳海鎮先生之胞姊。

吳海鎮先生，現年42歲，負責本集團之皮革製品之運作，吳先生具有超過21年經營皮具業的經驗。吳先生於一九八一年加入本集團。吳先生為吳鳳英女士之胞弟。

非執行董事

孫秉樞博士 MBE, JP，現年78歲，為SUN International Group之主席，孫先生具有47年市場推廣、分銷及製造鐘錶經驗，以及21年皮具及電子產品市場推廣及分銷經驗，並為香港鐘錶業總會有限公司永遠榮譽會長。孫先生於一九九三年加入本集團。

Biographical Details of Directors and Senior Management

Directors

Mr. LEE Sam Yuen, John, aged 53, is the Managing Director of the Company and is responsible for the administration, operations, merchandising and marketing functions of the Group. He joined the Group in 1974 and has been a director of Dah Hwa Leather & Trading Co., Limited since its incorporation in 1979. He holds a bachelor's degree in Management from Purdue University, U.S.A. and an honorable Ph.D. degree in Business from the Southern California University, U.S.A. He is the son of the Group's founder, Mr. LEE Deh.

Mr. CALLISTER, Stephen William, aged 53, is a Director of the Company. Mr. Callister has more than 23 years of experience in international trading and marketing. He has a Master's degree in Business Administration from Macquarie University, Australia and is a fellow member of CPA Australia. He joined the Group in 1993.

Ms. NG Fung Ying, aged 53, is responsible for the manufacturing and sales of the handbags division. Ms. Ng has more than 34 years of experience in the leather industry. She joined the Group in 1981. Ms. Ng is also the director of a subsidiary of the Group. She is the sister of Mr. NG Hoi Chun.

Mr. NG Hoi Chun, aged 42, is responsible for the operation of the leatherware division. Mr. Ng has more than 21 years of experience in the leatherware industry. He joined the Group in 1981. He is the brother of Ms. NG Fung Ying.

Non-executive director

Dr. SUN Ping Hsu, Samson MBE, JP, aged 78, is the Chairman of SUN International Group of companies. He has 47 years' experience in the marketing, distribution and manufacturing of watches, and 21 years' experience in the marketing and distribution of leather goods and electronic goods. He is the permanent honorary president of the Federation of Hong Kong Watch Trades & Industries Limited. He joined the Group in 1993.

獨立非執行董事

勞明智先生JP，現年53歲，為澳洲執業會計師，亦為澳洲證券學會成員，具有超過27年在澳洲、香港及其他亞洲國家從事財務及投資服務之經驗。他於二零零二年十二月加入本集團。

黃國泰先生，現年64歲，為澳洲執業會計師公會及香港會計師公會資深成員，亦為執業會計師，具有超過38年財務經驗。黃先生為多家香港上市公司之公司秘書，亦為黃國泰會計師行之主席。他於二零零二年十二月加入本集團。

高級管理人員

劉瑞源先生，現年39歲，為本集團財務總監，具有超過15年財務及管理經驗。劉先生為英國特許會計師公會及香港會計師公會資深會員，並持有香港城市大學行政人員工商管理碩士學位。他於二零零二年十一月加入本集團。

古嘉儀女士，現年40歲，為本集團行政經理。古女士於一九八三年加入本集團，具有逾20年行政及貿易實務經驗，同時亦負責人力資源工作。

楊詠儀女士，現年40歲，為本集團營運經理，負責皮革採購業務。楊女士於一九九六年加入本集團，具有超過19年市場推廣、商品及採購業務經驗。

董事之服務合約

本公司與李三元先生訂立服務協議，由二零零一年八月一日起，出任執行董事之職，任期為兩年。訂約各方可於六個月前發出書面通知終止此協議而免付賠償。

除上文所披露者外，概無任何擬於即將召開之股東週年大會中膺選連任之董事訂立任何本集團不可於一年內在無賠償情況下終止之服務合約（除法定之賠償外）。

Independent non-executive directors

Mr. LO Ming Chi, Charles JP, aged 53, is a certified practising accountant in Australia and is an associate member of the Securities Institute of Australia. He has more than 27 years of professional and business experience in financial and investment services in Australia, Hong Kong and other Asian countries. He joined the Group in December 2002.

Mr. WONG Kwok Tai, aged 64, is a fellow of the Australian Society of Certified Practising Accountants and the Hong Kong Society of Accountants and is a Certified Public Accountant. He has more than 38 years of financial experience. Mr. WONG is the company secretary of many listed companies in Hong Kong and is also the principal of W. Wong & Co., C.P.A. He joined the Group in December 2002.

Senior management

Mr. LIEW Swee Yean, Ivan, aged 39, is the Financial Controller of the Group. He has over 15 years of experience in finance and general management. Mr. Liew is a fellow member of the Association of Chartered Certified Accountants and Hong Kong Society of Accountants, and holds a Master of Business Administration (Executive) Degree from City University of Hong Kong. He joined the Group in November 2002.

Ms. KOO Ka Yee, Marian, aged 40, is the Administration Manager of the Group. Ms. Koo joined the Group in 1983 and has more than 20 years of experience in administration and trading practices. She is also responsible for the human resources function.

Ms. YEUNG Wing Yee, Bertha, aged 40, is the Operation Manager of the Group, responsible for leather purchasing operation. Ms. Yeung joined the Group in 1996. She has over 19 years of experience in marketing, merchandising and purchasing operation.

Directors' Service Contracts

The Company has entered into service agreements with Mr. LEE Sam Yuen, John under which they are to act as executive directors for a term of two years commencing 1 August 2001. The agreements can be terminated without payment of compensation by the contracting parties giving six months written notice.

Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事之股份權益

於二零零三年三月三十一日，根據證券(披露權益)條例(「披露權益條例」)第二十九條本公司所保存之登記冊所載，或依據披露權益條例第二十八條及上市公司董事進行證券交易的標準守則而須向本公司及香港聯合交易所有限公司披露，董事、主要行政人員及彼等之聯繫人士擁有本公司及其聯營公司之股本權益(定義見披露權益條例)如下：

Directors' Interests in Shares

As at 31 March 2003, the interests of the Company's directors, chief executives and their associates in the share capital of the Company and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance ("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 Section 28 of the SDI Ordinance and the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

董事姓名	Name of director	所持有普通股數目		
		Number of ordinary shares held		
		個人權益 Personal interests	公司權益 Corporate interests	其他權益 Other interests
本公司	The Company			
李三元先生	Mr. LEE Sam Yuen, John	3,768,000	-	414,021,500(a)
孫秉樞博士	Dr. SUN Ping Hsu, Samson	-	7,200,000 (b)	-
CALLISTER, Stephen William先生	Mr. CALLISTER, Stephen William	780,000	-	-
吳海鎮先生	Mr. NG Hoi Chun	240,400	-	-

附註：

Notes:

(a) 此等股份由D.H. International Limited持有，該公司由一個以李蕭毓娟女士及李三元先生為受益人之基金所擁有。

(a) These shares are held by D. H. International Limited, a company owned by a foundation under which, Mrs. LEE Shiao Yu Cho and Mr. LEE Sam Yuen, John are beneficiaries.

(b) 此等股份由Sun International Limited持有，該公司由孫秉樞博士控制。

(b) These shares are held by Sun International Limited, a company controlled by Dr. SUN Ping Hsu, Samson.

除上文披露者，及由一位董事於二零零三年三月三十一日以基金形式代本集團持有於附屬公司之代理人股份外，各董事或主要行政人員或彼等之聯繫人士概無於本公司或其任何聯營公司之證券中擁有任何權益(定義見披露權益條例)。

Other than as disclosed above and other than the nominee shares in subsidiaries held by a director in trust for the Group as at 31 March 2003, none of the directors or the chief executives or their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

董事購買股份及債券之權利

本公司採納一項購股權計劃，詳情載於財務報表附註23。自採納購股權計劃後，概無授出任何購股權。

除財務報表附註23所述之購股權計劃外，於年內任何時間，本公司、其控股公司或其附屬公司概無參與訂立任何安排，致使本公司董事藉收購本公司或任何其他法團之股份或債券而獲利。

各董事或主要行政人員或彼等之配偶或未滿十八歲之子女，亦概無擁有任何可認購本公司證券之權利，且於本年度內亦無行使任何上述權利。

董事之合約權益

除財務報表所披露之關連交易外，本公司、其控股公司或附屬公司於年終或年內任何時間，概無訂立任何董事於其中直接或間接有重大利益關係之其他重要合約。

主要股東

根據披露權益條例第16(1)條，由本公司設立之主要股東登記冊所載，除上文披露由D.H. International Limited所持有之414,021,500股股份（佔本公司全部已發行股本之54.71%）外，並無任何人士擁有本公司於二零零三年三月三十一日之已發行股本達5%或以上之權益。

優先購買權

在本公司之公司組織章程細則或開曼群島法例中，並無有關優先購買權之條文，致使本公司須按比例向現有股東發售新股份。

退休金計劃

有關本集團之退休金計劃，詳情載於財務報表附註9。

Directors' Rights to Acquire Shares and Debentures

The Company adopted a share option scheme, details of which are set out in note 23 to the financial statements. Since the adoption of the share option scheme, no options have been granted.

Other than the share option scheme as described in note 23 to the financial statements, at no time during the year was the Company, its holding company or 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 debentures of, the Company or any other body corporate.

None of the directors or chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

Directors' Interests in Contracts

Except for the related party transactions as disclosed in the financial statements, no other contracts of significance to which the Company, its holding company or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Substantial Shareholders

Other than the interests disclosed above in respect of 414,021,500 shares held by D.H. International Limited (representing 54.71% of the entire issued share capital of the Company), 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 of 5% or more in the issued share capital of the Company at 31 March 2003.

Pre-emptive Rights

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

Retirement Benefits Scheme

Details of the retirement benefits scheme of the Group are set out in note 9 to the financial statements.

銀行及其他借款

本集團之銀行及其他借款之詳情載於財務報表附註21。

購買、出售或贖回本集團之證券

本公司或其任何附屬公司於年度內概無購買、出售或贖回本公司之任何上市證券。

管理合約

於年度內，概無訂立或存在任何與本公司整體業務或其業務任何重大部份之管理及行政有關之合約。

審計委員會

本公司之審計委員會包括本公司一名非執行董事及兩名獨立非執行董事。審計委員會負責檢討整個集團的內部監控制度、其財務報表之完整性及準確性，以及代表董事會與核數師聯繫。委員會與管理層及核數師定期會議，複查核數報告及本集團之中期及年終財務報表。

公司管治

本公司於截至二零零三年三月三十一日止年度內，一直遵守香港聯合交易所有限公司上市規則附錄14所載之最佳應用守則。本公司非執行董事概無指定任期，惟願意按照本公司組織章程細則輪值告退。

Bank Loans and Other Borrowings

Details of bank loans and other borrowings of the Group are set out in note 21 to the financial statements.

Purchase, Sale or Redemption of the Group's Securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Audit Committee

The Company has an audit committee consisting of a non-executive director and two independent non-executive directors of the Company. The committee reviews the system of internal controls throughout the Group, the completeness and accuracy of its financial statements and liaises on behalf of the Board with the auditors. It met regularly with the management and the auditors to review the audit reports and the interim and final financial statements of the Group.

Corporate Governance

The Company has complied throughout the year ended 31 March 2003 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, except that the non-executive directors of the Company are not appointed for any specific term of office but are subject to retirement by rotation in accordance with the Articles of Association of the Company.

核數師

於德勤•關黃陳方會計師行退任後，摩斯倫會計師事務所於二零零二年首次獲委任為本公司核數師。

本公司於即將舉行之股東週年大會上提呈一項決議案，續聘摩斯倫會計師事務所（特許會計師、執業會計師）為本公司核數師。

代表董事會

董事總經理
李三元

二零零三年七月二十五日

Auditors

Messrs. Moores Rowland were first appointed as auditors of the Company in 2002 upon the retirement of Messrs. Deloitte Touche Tohmatsu.

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Moores Rowland, Chartered Accountants, Certified Public Accountants, as auditors of the Company.

On behalf of the Board

Lee Sam Yuen, John
Managing director

25 July 2003