

董事會提呈截至二零零一年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為一間投資控股公司。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14及15。

業績及利潤分配

本集團截至二零零一年三月三十一日止年度之業績載於第29頁之綜合損益賬。

董事會建議不派發股息。

財務摘要

本集團截至二零零一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第71及72頁。

投資物業及物業、廠房及設備

本集團之投資物業於結算日作出重估。重估導致出現港幣200,000元之虧絀，該項虧絀已直接於投資物業重估儲備中扣除。

本年度內本集團及本公司之投資物業及物業、廠房及設備之變動詳情分別載於財務報表附註12及13。

The directors present their annual report and the audited financial statements for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries and associate are set out in notes 14 and 15 respectively to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2001 are set out in the consolidated income statement on page 29.

The 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 2001 is set out on pages 71 and 72 of the annual report.

INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT

The investment property of the Group was revalued at the balance sheet date. The revaluation resulted in a deficit amounting to HK\$200,000, which has been charged to the investment property revaluation reserve.

Details of movements during the year in the investment property and property, plant and equipment of the Group and the Company are set out in notes 12 and 13 respectively to the financial statements.

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25。

股本

有關本年度內本公司之股本變動詳情載於財務報表附註23。

董事

本年度內及截至本報告書之日期止之本公司董事姓名如下：

執行董事：

李達先生
李蕭毓娟女士
李三元先生
CALLISTER, Stephen William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
鄭樹榮先生

按照本公司之公司組織章程細則，鄭樹榮先生於即將舉行之股東週年大會上辭去董事職務，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。

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in note 25 to the financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 23 to the financial statements.

DIRECTORS

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

Executive directors:

Mr. LEE Deh
Mrs. LEE Shiao Yu Cho
Mr. LEE Sam Yuen, John
Mr. CALLISTER, Stephen William

Non-executive director:

Dr. SUN Ping Hsu, Samson MBE, JP

Independent non-executive directors:

Mr. SUNG Yuen Lam, William
Mr. CHENG Shu Wing

In accordance with the provisions of the Company's Articles of Association, Mr. Cheng Shu Wing retires from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself 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.

董事及高級管理人員之簡介

董事

李達先生，78歲，本集團之創辦人兼本公司主席，負責本集團行政及財務工作，李先生具有超過53年皮革貿易經驗。

李蕭毓娟女士，77歲，本公司副主席，負責本集團銷售及市場推廣業務，亦負責本集團之信貸控制，李蕭毓娟女士為李達先生之配偶並於一九六零年代加入本集團。

李三元先生，51歲，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。李先生乃李達先生及李蕭毓娟女士之公子。

CALLISTER, Stephen William先生，51歲，本公司董事，具有超過21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，為澳洲認可執業會計師公會資深會員，Callister先生於一九九三年加入本集團。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Mr. LEE Deh, aged 78, is the founder of the Group and the Chairman of the Company. He is responsible for the administration and financial matters of the Group. He has over 53 years of experience in the leather trading business.

Mrs. LEE Shiao Yu Cho, aged 77, is the Deputy Chairman of the Company and is responsible for the sales and marketing function of the Group and is also in charge of the Group's credit control. She has been with the Group since the early 1960s and is the wife of Mr. Lee Deh.

Mr. LEE Sam Yuen, John, aged 51, 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, the United States of America. He is the son of Mr. LEE Deh and Mrs. LEE Shiao Yu Cho.

Mr. CALLISTER, Stephen William, aged 51, is a Director of the Company. Mr. Callister has more than 21 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 the Australian Society of Certified Practising Accountants in Australia. He joined the Group in 1993.

董事及高級管理人員之簡介
(續)

非執行董事

孫秉樞博士 M.B.E.J.P., 76歲, SUN International Group 之主席, 孫先生具有 45 年市場推廣、分銷及製造鐘錶經驗, 以及 19 年市場推廣及分銷皮具及電子產品經驗, 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。

獨立非執行董事

宋潤霖先生, 59 歲, 一間會計師行之獨資東主, 具有超過 24 年核數經驗。宋先生為澳洲認可執業會計師公會及香港會計師公會資深會員。宋先生於一九九三年加入本集團。

鄭樹榮先生, 52 歲, 現任寶盛融資有限公司董事。鄭先生持有香港中文大學工商管理學學士學位, 於香港銀行業及證券業擁有廣泛經驗。鄭先生於一九九三年加入本集團。

BIOGRAPHICAL DETAILS OF DIRECTORS AND
SENIOR MANAGEMENT (Continued)

Non-Executive Director

Dr. SUN Ping Hsu, Samson M.B.E.J.P., aged 76, is the Chairman of SUN International Group of companies. He has 45 years' experience in the marketing, distribution and manufacturing of watches, and 19 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.

Independent Non-Executive Directors

Mr. SUNG Yuen Lam, William, aged 59, is the sole proprietor of an accountancy firm and has more than 24 years of auditing experience. Mr. Sung is a fellow member of the Society of Certified Practising Accountants in Australia and the Hong Kong Society of Accountants. He joined the Group in 1993.

Mr. CHENG Shu Wing, aged 52, is a director of Laidlaw Pacific (Asia) Limited. He holds a bachelor degree in business administration from Chinese University of Hong Kong and has extensive experience in the banking and securities industries in Hong Kong. He joined the Group in 1993.

**董事及高級管理人員之簡介
(續)**

高級管理人員

古嘉儀女士，38歲，本集團行政經理。古女士於一九八三年加入本集團，具有逾18年行政及貿易實務經驗。古女士亦負責人力資源工作。

楊泳儀女士，38歲，本集團採購營運經理。楊小姐於一九九六年加入本集團，具有17年市場推廣、採購營運經驗。

吳鳳英女士，51歲，負責本集團手袋部門之生產及分銷工作。吳小姐在皮革業擁有超過32年豐富經驗。吳小姐於一九八一年加入本集團，吳小姐亦為本集團附屬公司董事。

董事之服務合約

概無董事與本公司或其任何附屬公司訂立任何服務合約。

截至二零零一年三月三十一日止年度，付予董事之酬金合共達港幣4,120,000元（二零零零年：港幣4,736,412元）。

**BIOGRAPHICAL DETAILS OF DIRECTORS AND
SENIOR MANAGEMENT (Continued)**

Senior Management

Ms. KOO Ka Yee, Marian, aged 38, is the Administration Manager of the Group. Ms. Koo joined the Group in 1983 and has more than 18 years of experience in administration and trading practices. She is also responsible for the human resources function.

Ms. YEUNG Wing Yee, Bertha, aged 38, is the Operation Manager of the Group, responsible for leather purchasing operation. Ms. Yeung joined the Group in 1996. She has over 17 years of experience in marketing, merchandising and purchasing operation.

Ms. NG Fung Ying, aged 51, is responsible for the manufacturing and sales of the handbags division. Ms. Ng has more than 32 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.

DIRECTORS' SERVICE CONTRACTS

None of the directors has a service contract with the Company or any of its subsidiaries.

For the year ended 31 March 2001, the aggregate emoluments paid to the directors were HK\$4,120,000 (2000: HK\$4,736,412).

董事之股份權益

於二零零一年三月三十一日，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，董事及主要行政人員及彼等之聯繫人士擁有本公司之股本權益（定義見披露權益條例）如下：

DIRECTORS' INTERESTS IN SHARES

At 31 March 2001, the interests of the directors and chief executives and their associates in the share capital of the Company, 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 the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name of director	董事姓名	所持有普通股數目 Number of ordinary shares held		
		個人權益 Personal interest	公司權益 Corporate interest	其他權益 Other interest
Mr. LEE Deh	李達先生	-	-	413,752,000 (a)
Mrs. LEE Shiao Yu Cho	李蕭毓娟女士	450,000	-	413,752,000 (a)
Mr. LEE Sam Yuen, John	李三元先生	3,768,000	-	413,752,000 (a)
Dr. SUN Ping Hsu, Samson	孫秉樞博士	-	7,200,000 (b)	-
Mr. CALLISTER, Stephen William	CALLISTER, Stephen William先生	780,000	-	-

附註：

Notes:

(a) 此等股份由D.H. International Limited持有，該公司由一個以李達先生、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 Mr. LEE Deh, 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以基金形式代本集團持有於附屬公司之代理人股份外，於二零零一年三月三十一日，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附屬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 2001, none of the directors or the chief executives or their associates had any interests in any securities of the Company or any of its subsidiaries 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24。自採納購股權後概無授出任何購股權。

除財務報表附註24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。

關連交易及董事之合約權益

年內，本集團與關連人士訂立以下交易：

- (i) 本集團向本公司之最終控股公司D.H. International Ltd. 提供港幣約49,333,000元之墊款，該筆墊款乃免息；及
- (ii) 本集團向董事李蕭毓娟女士借入港幣約1,760,000元，該款項乃免息。

除上文所披露者外，本公司、其控股公司或附屬公司在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重要合約。

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

The Company adopted a share option scheme, details of which are set out in note 24 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 24 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.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group entered into the following transactions with the connected parties:

- (i) The Group made advances of approximately HK\$49,333,000 to D.H. International Ltd., the Company's ultimate holding company. The advances are non-interest bearing.
- (ii) The Group borrowed approximately HK\$1,760,000 from a director, Mrs. Lee Shiao Yu Cho. The amount is non-interest bearing.

Other than as disclosed above, no 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.

主要股東

根據披露權益條例第十六(一)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 所有之 413,752,000 股股份(佔本公司全部已發行股本之 58.26%)外，並無任何人士擁有本公司於二零零一年三月三十一日之已發行股本達 10%或以上之權益。

優先購買權

本公司之公司組織章程細則或開曼群島法例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8。

主要客戶及供應商

於截至二零零一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 30%。

五大供應商佔總採購額 58%，而最大供應商佔 22%。

於本年度內之任何時候，並無任何董事、聯繫人士或股東(據董事所知擁有本公司股本 5%以上)擁有供應商之權益。

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of 413,752,000 shares held by D.H. International Limited (representing 58.26% 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 10% or more in the issued share capital of the Company at 31 March 2001.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the 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 8 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2001, the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover.

The five largest suppliers comprised 58% of the total purchases while the largest supplier accounted for 22%.

No directors, associates or shareholders (which to the knowledge of the directors own more than 5% of the Company's share capital) were interested in the suppliers at any time during the year.

購買、出售或贖回本集團之證券

本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

結算日後事項

結算日後事項之詳情載於附註34。

公司管治

本公司於截至二零零一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證券上市規則附錄十四所載之最佳應用守則。

核數師

本公司將會於臨近之股東週年大會上提呈一項決議案續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會
主席
李達

二零零一年七月三十一日

PURCHASE, SALE OR REDEMPTION OF THE GROUP'S SECURITIES

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

POST BALANCE SHEET EVENT

Details of the post balance sheet event are set out in note 34.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 March 2001 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.

AUDITORS

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

On behalf of the Board
LEE DEH
Chairman

31 July, 2001