



power



Chairman's Statement

Dear Shareholders,

I am pleased to report that 2001 has been another year of success for Global Tech (Holdings) Limited (the "Group"). Despite the worldwide economic slowdown and the highly competitive mobile phone industry, our annual results have defied industry norm - recording double digit net operating profits for the year ended 30th September, 2001.

For the financial year ended 30th September, 2001, the Group recorded a turnover of approximately HK\$4,373 million, representing an increase of over 7.5% compared to HK\$4,067 million in the same period last year. Profit attributable to shareholders was approximately HK\$475 million, up 20% over last year. The Board of Directors have declared a final dividend of HK\$0.020 per share which, when combined with the interim dividend of HK\$0.017 per share, resulted in a total dividend of HK\$0.037 per share for the year.

During the year under review, we have performed exceptionally well in our core markets in Greater China, especially Mainland China. Our success is marked by our impressive profit growth due to our extensive network across Greater China, our in-depth knowledge of the markets, and our expertise in the marketing and distribution of mobile phones in those regions.

This year, we have continued to focus on our marketing strategies that are aimed at distributing mobile phones for the mid- to high-end segment of the market. We feel that in this competitive environment, this market segment will allow us to generate a greater level of gross margin with relatively lower volume sales thus maximizing our profits and avoiding price wars in the low-end segment of the market.

The highlights of this year include the marketing success of the SGH-A288, SGH-N188 and SGH-N288 mobile-phone range from Samsung introduced in the middle of this year. These mobile phone models are already contributing to the Group's profits and I have no doubt that they will be some of our core models that will contribute to our profits in the next few years. We are also very pleased for Samsung as we have been influential in assisting them to achieve a market share of over 9% (2000: 6%) in Mainland China in September 2001.

Our key expansion this year includes two promising ventures: the distribution of Samsung mobile phones in Taiwan and the operation of two Samsung brand shops in Hong Kong.

The mobile phone market in Taiwan is very competitive but we have put in the hard work to capture a market share of 7%* in terms of total sales value in Taiwan. Our achievements in the Taiwan market are very encouraging despite the continued slowdown in the economy in that region. Our success in Taiwan is an example of how our marketing expertise can be applied effectively in different markets to create a new brand image and build up its market share from scratch.

* Research conducted by GfK Marketing Services Ltd., August 2001

In addition, we successfully opened two Samsung Anycall Image Shops in Hong Kong: one in Causeway Bay and the other in Tsim Sha Tsui. These shops are examples of what sets us apart from our competitors in providing added value to manufacturers in creating brand presence as well as after sales service.

Looking ahead, we will continue to maximize shareholders' wealth by focusing on distributing mid- to high-end mobile phones. We will continue to focus on profitability rather than low margin volume distribution. With the success of our retail shops, we will continue to focus on brand building and provide added value and service to both customers and manufacturers. The experienced gain in operating our retail shops is invaluable to our plans to operate retail shops under our own brand name in future.

With China's entry into the World Trade Organization ("WTO"), we see enormous opportunities for the Group in terms of a more direct presence in China. The deregulation of the ownership laws in the telecommunications businesses in China, albeit over a period of time, will allow us to exert our competitive edge in China, backed by our expertise and experience as well as our large established sales network.

Finally, I would like to take this opportunity to express my heartfelt thanks to our staff and directors for their hard work and dedication during the past year. I look forward to sharing a prosperous year with our shareholders through the opportunities that lie ahead.

By Order of the Board



SZE Tsang Fai, Johnny
Chairman

Hong Kong, 11th December, 2001

