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**GLOBAL TECH (HOLDINGS) LIMITED**

**耀科國際（控股）有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0143)**

**FURTHER ANNOUNCEMENT CONCERNING  
REMOVAL OF THE FORMER INDEPENDENT NON-EXECUTIVE  
DIRECTORS**

**RESUMPTION OF TRADING**

Further to the Previous Announcement, the Board announces further details concerning the removal of Mr. Ian Grant ROBINSON and Mr. Richard Nicholas TANNER, the former Independent Non-executive Directors of the Company, on 13th July 2004.

At the direction of the Exchange, trading in the shares of the Company on the Exchange was suspended with effect from 9:30 a.m on Monday, 19th July 2004. Application has been made by the Company for resumption of trading in its shares with effect from 9:30 a.m on 10th September, 2007.

Reference is made to the announcement of Global Tech (Holdings) Limited (the “Company”) dated 17th July 2004 (“Previous Announcement”) pursuant to which the Board of Directors of the Company (“Board”) announced that Mr. Ian Grant ROBINSON and Mr. Richard Nicholas TANNER (together “Former INEDs”) had been removed as Independent Non-executive Directors (“INEDs”) of the Company with effect from 13th July 2004. At the request of The Stock Exchange of Hong Kong Limited (“Exchange”), the Board is making a further announcement setting out additional information concerning the reasons for the removal of the Former INEDs.

The said removals were effected because disagreements between the Former INEDs and other members of the Board had existed for some time, and continued to exist up to the date of the said removal. These disagreements arose because of the differing views of the respective directors towards various matters of the Company and its subsidiaries (together “Group”).

\* *For identification purpose only*

The Board believes that such disagreements primarily existed in three specific areas, which are further clarified as follows:–

- (i) **The business strategies of the Group:** Whilst all members of the Board agreed that a diversification of the businesses of the Group was to be considered, the manner and approach that the Group should take in relation to such diversification was a source of disagreement with the Former INEDs. In particular, there were differences of opinion as to whether the Group should continue as a telecommunications business or withdraw from this business, the latter approach being preferred by the Former INEDs. The remaining members of the Board, however, did not agree with this approach and were instead of the view that it should exercise additional caution whilst identifying and evaluating new business opportunities whether in the telecommunications field or otherwise.
- (ii) **The issue of internal controls:** Once again, whilst all members of the Board agreed that a review of the Group’s internal controls was to be undertaken, there was disagreement with the Former INEDs over the methodology for approaching this review. Since that point in time, however, the Company has been conducting reviews on its internal control systems. The current audit committee of the Company (“**Current Audit Committee**”) has also reviewed with members of its management the scope of the internal control review plan as well as the progress and results of the internal control reviews conducted.

In addition, a leading independent professional audit firm has been appointed since 2006 to review areas of internal controls. This firm has reviewed various important business cycles of the Group including the Group’s credit control and credit review and purchase forecasting procedures. As part of such review, the said audit firm has also provided suggestions on areas of improvement. These suggestions have been reviewed by the Current Audit Committee and key points therefrom have been implemented by the Company together with further improvements recommended by the Board to further enhance internal control policies, procedures and practices.

The Board and the Audit Committee have been reviewing the internal controls and systems of the Company on an ongoing basis. It appears to them that, based upon their obligations under the Listing Rules, the most effective way of proceeding has been to identify important business cycles and subject these to an external audit. Thereafter, the goal has been to ensure that the principal recommendations of such external auditors are implemented under the supervision of the Audit Committee. The Board and the Audit Committee would further confirm that they do not consider the above to be a “one off” process but instead are and will be reviewing various business cycles on a periodic and ongoing basis.

The Board (including the new INEDs of the Company who are referred to below) believes that the internal controls systems of the Group are adequate and will continue to review areas of corporate governance and the effectiveness of the systems of internal controls relating to the Group, and the Board will continue to report to shareholders in respect of the same in accordance with the Rules Governing the Listing of Securities on the Exchange (“**Listing Rules**”), and in particular Appendix 14 and Appendix 16 thereof.

(iii) **The provision made on a trade receivable arising in the ordinary course of business of the Group from an independent third party:** As was noted in the interim report of the Group for the six months ended 31st March 2004 (“**2004 Interim Report**”), the audit committee of the Company at that time (which included both of the Former INEDs) had disagreed with the adequacy of the provision made by the Board on a trade receivable arising in the ordinary course of business in the amount of approximately HK\$240 million. The executive Directors were, however, of the view that adequate provision had been made thereon in accordance with the Group’s accounting policies.

Such an independent third party continues to be a customer of the Group as at the date of this announcement and is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company. Such independent third party is also one of the five largest customers of the Group for the three years ended 30th September 2006.

The Board believes that the Group’s accounting policies provide an adequate assessment of the provisions to be made and that the provisions made for the receivable due from this independent third party customer were made in accordance with such accounting policies.

The Board believes that the Group’s accounting policies on trade receivable provisions as set out in the principal accounting policies section of the Group’s annual reports have been consistently applied to all of its customers and the Board is not aware of any changes to such accounting treatment. As has been stated in the Group’s annual reports, the credit terms granted to customers depend on the negotiation between individual customers and the Group. The Group’s ageing analysis of the trade receivables has always started with an assessment of any outstanding balances due from its customers beyond the credit period granted to them.

Such an independent third party customer made and continues to make its payments by way of bulk settlement. Bulk settlement is not uncommon in the Group’s business and its customers, including chain stores, make bulk payments to the Group in respect of outstanding amounts due to the Group. In the case of this customer, such bulk payments are made in millions or tens of millions of Hong Kong dollars at a particular time and as at the financial years ended 30th September 2004, 30th September 2005 and 30th September 2006, and as at the six months ended 31st March 2007, in each case no amounts were overdue by such customer for more than 90 days.

The Board regrets the removals of the Former INEDs but believes that there was no other alternative in light of the continuing disagreements on the above matters, and the fact that the respective parties were unable to resolve those disagreements. In the opinion of the other Board members, these disagreements represented irreconcilable differences between the respective parties. The Current Audit Committee is in concurrence with the Board in respect of the matters set out in this announcement.

Save as disclosed herein, the Board is not aware of any matters relating to the removals of the Former INEDs that need to be brought to the attention of the shareholders of the Company.

Since the removal of the Former INEDs, the Company has appointed three further INEDs, namely Andrew David ROSS and Geoffrey William FAWCETT on 17th December 2004 and Charles Robert LAWSON on 29th June 2005. All of such INEDs continue to hold such a position at the date of this announcement. Each of the current INEDs was informed at the time of their appointment, of the above information concerning the removal of the Former INEDs.

The Company has received an unqualified audit report from its auditors, Messrs. HLB Hodgson Impey Cheng in respect of the financial year ended 30th September 2004 (“**2004 FYE**”) which showed, inter alia, that the current ratio and liquid ratio of the Group had remained fairly stable at 4.01 and 3.14 respectively (having been 4.03 and 3.42 respectively in the financial year ended 30th September 2003). In addition, the gearing ratio for the Group for the 2004 FYE as shown by such audited report was 0.02%.

The Company has also subsequently received unqualified audit reports from its auditors, Messrs. HLB Hodgson Impey Cheng in respect of the financial years ended 30th September 2005 (“**2005 FYE**”) and 30th September 2006 (“**2006 FYE**”). For the 2005 FYE, the Group had a current ratio of 2.71, a liquid ratio of 2.53 and a gearing ratio of 0.02%. For the 2006 FYE, the Group had a current ratio of 2.09, a liquid ratio of 1.9 and a gearing ratio of 17%. For the six months ended 31st March 2007, the Group had a current ratio of 2.51, a liquid ratio of 2.28 and a gearing ratio of 0.02%.

At the direction of the Exchange, trading in the shares of the Company on the Exchange was suspended with effect from 9:30 a.m on Monday, 19th July 2004 pending the release of a further clarification announcement in relation to the removal of the Former INEDs and the clarification of the financial position of the Group. An application has been made by the Company to the Exchange for resumption of trading in its shares with effect from 9:30 a.m on 10th September 2007.

By Order of the Board  
**Global Tech (Holdings) Limited**  
**SY Ethan, Timothy**  
*Chairman*

Hong Kong, 7th September 2007

*As at the date of this announcement, the Board comprises 8 directors, of which 4 are executive directors, namely Mr. SY Ethan, Timothy, Mr. CHEUNG Wing Yin, Vigny Wiley, Mr. SUNG Yee Keung, Ricky and Mr. WAN Kwok Cheong, 1 is a non-executive director, namely Mr. KO Wai Lun, Warren, and 3 are independent non-executive directors, namely Mr. Andrew David ROSS, Mr. Geoffrey William FAWCETT and Mr. Charles Robert LAWSON.*