

C H A I R M A N ' S S T A T E M E N T

RESULTS

I am pleased to present, on behalf of the Board of Directors (the "Board"), the annual report and audited consolidated results of GR Investment Holdings Limited (formerly known as Dezhong Enterprises Investments Limited) (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December, 2000.

For the year ended 31 December, 2000, the audited turnover and net profits attributable to shareholders of the Group were approximately HK\$3.1 million and HK\$15.6 million respectively, representing an increase of approximately 29% in turnover and attained profitability over the year of 1999. The accomplishment of the Group in turning to profits was mainly attributable to the gain arising from the disposal of investment interests in Shanghai White Cat Company Limited.

BUSINESS REVIEW AND PROSPECTS

Year 2000 was the final year of the successfully completed "Ninth-Five Year Plan" of the People's Republic of China (the "PRC"). During the year, the national economy grew continuously, rapidly and healthily. The national strength in aggregate has enhanced further with the full-force implementation of the reform in economic structure. The setting of a total "Open-Door Policy" is fundamentally taking shape. The PRC government continued its implementation of a positive fiscal policy and made effort to utilize the effectiveness of the monetary policy. It was the combined application of these diversified measures employed by the government in adjusting the economic development that improved the quality of economic growth. As a result, gross domestic product exceeded the US\$1 trillion mark, economic efficiency was substantially enhanced and the RMB exchange rate was constantly stable. All these factors will contribute positively to the investments of the Group in the PRC.

During the year, the Group has taken active measures to strengthen the management of the investment projects and carried out proper re-organization in these projects so as to rationalize the structure of the investment portfolio with an aim to improve economic efficiency consistently and pursue long term growth. Consequently, despite that certain investment projects recorded insignificant losses, most of the projects performed satisfactorily.

In order to further expand the dimension of its investment portfolio and to diversify its business, the Group has captured numerous suitable investment opportunities during the year. With the expected gradual recovery of the Hong Kong economy and the forthcoming admission of the PRC to the World Trade Organization in the year 2001, it is believed that immense investment opportunities will continue to emerge for the Group.

APPRECIATION

I would like to express my cordially appreciation to the directors of the Group for their sound decisions and excellent leadership, and to thank the staff for their dedication and contribution in the past year.