

Chairman's Statement

In December 1999, e-Kong Group Limited (the "Company", together with its subsidiaries collectively referred to as the "Group") embarked on a new and revolutionary strategic direction. Based on an innovative approach to converging services, our strategy has set us on a course towards rapid and substantial growth.

During the year 2000, the Group successfully carved out a unique niche in three industries with tremendous potential. We chose to enter the telecommunications, insurance and MICE (meetings, incentives, conferences and exhibitions) markets due to the immense opportunity in these fragmented, highly-competitive industries with large existing revenue streams waiting to be tapped.

An outstanding management and operating team was put in place and core technologies were developed and deployed in each of three operating subsidiaries to make the Group's new vision a profitable reality. A new breed of convergent services was introduced with the commercial launches of ZONE in May, *speedinsure* in November and EventClicks by year end.

Turnover for the year 2000 reached over HK\$100 million, a 121% increase over that of last year. Much of that increase was achieved over the last six months and was contributed by these three new service businesses during their early stages of operation. This impressive start is clearly a strong indication of the enormous revenue growth that is set to follow.

A net profit of HK\$1.3 million was also achieved during the year, making the Group profitable for the first time since 1994. At year end, the Group remains debt-free, with cash and investments amounting to HK\$715 million, an increase of 581% over that of last year.

A number of selective investments were also made during the year in companies offering strategic value and long-term returns on investment for the Group.

Prospects for the Group remain excellent. As our business model achieves substantial efficiencies in service delivery, we are well positioned at a time when service providers in our targeted industries continue to face declining margins and increasing cost pressures. Our business model remains unique and is expected to remain so in the foreseeable future. The Group is also entering the United States market with its ZONE service business at a very favorable time.

For the coming year, the Group intends to focus on growing our service businesses, ZONE, *speedinsure* and EventClicks. We will continue to make investments and acquisitions that will help grow our service businesses effectively, while less emphasis will be placed on venture capital and other long-term strategic investments.

Dedicated staff at all levels of the organization have played essential roles in the Group's achievements. I would like to thank all of our employees for making this year a very successful one.

Richard John Siemens
Chairman

Hong Kong, 8 March 2001