

CHAIRMAN'S STATEMENT

During the year ended 31 December 2000, we are pleased to announce that the Group has achieved a net profit attributable to shareholders of HK\$4,739,000 when compared to a considerable loss of HK\$65,616,000 for the same corresponding period last year. Despite the drop in turnover from HK\$268.8 million in 1999 to HK\$169.1 million in 2000 due to the discontinuation of non-core business activities, the Group's turnover from continuing operations for the year actually increased by 32.1% to HK\$142.4 million (1999: HK\$107.9 million). It was an indication that positive trend will continue.

Looking forward, the year 2001 will be a challenging year for the Group. We have to learn from past setbacks and define our strategic position to actualize fresh opportunities with the imminent entry of the People's Republic of China (the "PRC") into the World Trade Organisation so as to lay ground for longer-term growth.

Last but not least, our board of directors and staff were put through very tough times during the past few years due to the financial turmoil; however, their perseverance, empathy, support and help have not gone unrewarded. There was a significant improvement in the year 2000. Nevertheless, we would continue to make every endeavour to increase the profitability and the returns for the Company's shareholders for their continual long term support and empathy.

By order of the Board

Su Genqiang

Chairman

Hong Kong, 19 April 2001