

For the year ended 31 December 2000, our Group, Shougang Concord International Enterprises Company Limited and its subsidiaries, incurred a net loss attributable to shareholders of HK\$186 million. This represented a decrease in loss by HK\$466 million from the 1999 figure. Basic loss per share was HK9.8 cents, representing an improvement of 72% over 1999, where basic loss per share of HK35.3 cents was recorded. The Group's net assets per share was HK\$0.42 as at 31 December 2000.

As part of the long-term restructuring plan of the Group to deploy the available financial resources more efficiently and effectively, we had focused on a series of pro-active corporate restructuring programs to streamline operations and the group structure in the past two years. This resulted in marked improvement in performance and assets quality of the Group for the year.

2000 was a critical year to the Group because the said improvement during the year had provided a solid foundation for its long-term transformation – a transmission of vision from strategic planning to actual implementation, a translation of dedication into profitability and, most importantly, a transcription of the hallmark for long-term success. With the immense support from the controlling shareholder, the Group will seek to enhance the competitive advantage of its core businesses and explore into new business segments to maximise returns for the shareholders. Along these lines, we will formulate new investment strategy, re-define business tactics and steer directions for long-term development of the Group so as to re-position itself as a successful and energetic enterprise. At the beginning of this new era, we strongly believe that with the cohesive cooperation and devoted efforts of management and staff under a strong culture, the Group will be well positioned to restore profitability in the forthcoming year.

I would like to take this opportunity to thank our management and staff for their dedication and contribution, and to express our appreciation to our shareholders, bankers and all other parties concerned for their continued support.

Wang Qinghai
Chairman

19 April 2001