



Chairman's Statement



Chan Oi Ling, Maria Olimpia
Chairman and founder of the Group

FINANCIAL RESULTS

For the year ended 31st March, 2001, the turnover of the Group was approximately of HK\$168.9 million, representing a decrease of 19.8% when compared with last year.

The loss attributable to shareholders was HK\$57.1 million. Loss per share was HK14.2 cents. Such loss was mainly due to the inclusion of the devaluation of the Group's property portfolio of HK\$28.4 million and the inclusion of impairment provision of HK\$36.6 million against a technology license as deducted from the operating profit.

FINAL DIVIDEND

Despite the adverse results recorded, the Group had maintained a strong cash and low leverage position throughout the year.

The directors have recommended the payment of a final dividend of HK2 cents per share for the year ended 31st March, 2001 to shareholders whose names appear on the Company's Register of Members on 23rd August, 2001. Subject to the approval of the Company's Members at the forthcoming Annual General Meeting, the final dividend will be paid on or before 7th September, 2001.

BUSSINESS REVIEW

For the year ended 31st March, 2001, the Group's core activity of sale of accessories for photographic products had experienced challenging time that was effected by the external factors of global slowdown in photography industry and downturn in sale to European market affected by weak Euro dollars. The Group's sale turnover recorded a decline by 19.8% when compared with last year. Reacted by the management's working in a down-to-the-earth manner, striving proactively and providing and best services and products to customers, the Group had been able to safeguard the gross profit margin by vertically integrating a new production base through the acquisition of controlling interests in a former major sub-contractor last year, as well as by determinedly and continually boosting up the productivity of all manufacturing bases.



Chairman's Statement (cont'd)

With the accounting for the non-recurring and exceptional losses of devaluation of the Group's property portfolio of HK\$24.8 million and impairment provision of HK\$36.6 million against a technology license, it had turned the overall results into the loss position.



Industrial Park in Hui Zhou, PRC

OUTLOOK

Despite of the challenges facing ahead, the Group has always been seizing this time opportunity to broaden its marketing network in the huge European market while many competitors have disappeared. The Group is confident of good recovery while Euro dollars becomes stabilized.

While China's entry into the WTO is getting closer and closer, it will offer new valuable opportunities for the Group's business development. The management believes that with our staff working cohesively and interactively as a team, the Group will be able to maintain its leading position in the industry.

APPRECIATION

We wish to thank our shareholders, customers and staffs for on-going support and for sharing the company's confidence and commitment.