

CHAIRMAN'S STATEMENT

To The Shareholders

I am very pleased to present my first Chairman's statement following my appointment to the Board of TechCap Holdings Limited ("TechCap") on 27 November 2000.

The fiscal year of 2001 witnessed the transformation of Honko International Holdings Limited ("Honko") and the group of subsidiaries under it (the "Honko Group") as it underwent a remarkable financial restructuring process. As announced in public, Honko has become a wholly owned subsidiary of TechCap upon completion of that said restructuring. I trust you agree with me that the Honko Group under the new name and substance of TechCap (the "Group") has substantially strengthened its development potential.

The economic growth of 21st century will be driven by knowledge-based industries. While improving our existing business of electronic parts, we will be focusing on expanding our scope of business in areas of franchising cutting-edge technology. The core business developing strategy of TechCap will be to systematically create synergy of technology, finance and TechCap's regional and global connection, and magnify the synergy effect in both local and global capital markets.

The prelude of 21st century has only just ring up the curtain. We look forward to taking on a fruitful journey ahead of us, filled with challenges and opportunities. We're determined and devoted-in partnership with our clients and shareholders-to build a great future at TechCap. I would like to thank you for your continued support and invite you to join us in creating values for all shareholders of TechCap.

Sincerely

Dr. Li Zhong Yuan
Chairman