

P RESIDENT'S STATEMENT

On behalf of the Board of Directors (the "Directors"), I hereby present the annual report and the audited financial statements for the year ended 31st March, 2001 of Interform Ceramics Technologies Limited (the "Company", together with its subsidiaries, the "Group").

For the year under review, the Group's turnover was HK\$66 million. Net loss for the year amounted to HK\$334 million.

No dividend was paid for the year ended 31st March, 2001.

FINANCIAL RESTRUCTURING

The Group was under receivership effective from on 1st September, 2000. On 20th December, 2000, a restructuring agreement was entered into among the Group, the financial creditors, Oasis Star Limited ("Oasis Star") and Tian An China Hotel and Property Investments Company Limited ("TACHPIL"). Both Oasis Star and TACHPIL are subsidiaries of Tian An China Investments Company Limited ("Tian An"). Tian An is an investment company with its subsidiaries principally engaged in property development, merchandise trading, provision of hotel and property management and agency services and investment activities in the People's Republic of China (the "PRC") and its securities are listed on the Hong Kong Stock Exchange.

Being part of the restructuring agreement, Oasis Star have agreed to subscribe for new shares of the issued share capital of the Company in cash. In addition, TACHPIL had agreed to sell to the Company the 83.3% equity interest in All-Shanghai Inc ("All-Shanghai"). All-Shanghai is a company incorporated in the British Virgin Islands and its sole asset is a 60% joint venture interest in Shanghai Allied Co., Ltd. ("SAC"). SAC is principally engaged in the manufacturing and distribution of cement in the Shanghai and Shenzhen markets.

On 15th May, 2001, the restructuring agreement was completed. Tian An becomes the controlling shareholder of the Company and new Directors and management team were appointed to take control the management of the Group. Based on the Group's present subjective and objective conditions, the new Directors have established a strategic policy for the Company. Meanwhile, the Group's original core businesses are undergoing consolidation process.

PRESIDENT'S STATEMENT

OUTLOOK

The Group will concentrate its management and financial resources on its core business of manufacturing, distribution and trading of building materials (including cement, ceramics tiles and marble) and related products in the infrastructure development and property industry. With its superiority in cement industry, geographical location, market condition and management skills of SAC, the Group will enlarge its cement business in a moderate rate.

The Group will utilize the synergetic effect among cement business, ceramics titles business and marble business. With the support from our shareholders, the future business development of the Group is encouraging. The Management knows their gold bullets very well, what they want to know is how to make the Midas Touch.

The successful bidding of the 2008 Olympic Games in Beijing, the recent laundering of national policy namely "Development of Western Region" coupled with the administrative policy of "Development Shanghai into a Metropolitan City", all of the above would enhance and expedite the infrastructure development and property industry in the PRC. This will enhance the demand for building materials and its related products. The Directors believe that the Group is well positioned to capture the best benefits arising from these opportunities

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to welcome all new staff who join the Group after the Group's financial restructuring. Meanwhile, I would like to express my appreciation to our shareholders for their consistent support. Besides, the new Board of Directors is dedicated to achieve a satisfactory returns to our shareholders in the coming years and to provide the best of our services to our customers. We are confident that we could develop the Group into a significant building materials manufacturer and supplier.

Ng Qing Hai

President

21st August, 2001