

OUTLOOK

Looking ahead to the second half of 2001, the plywood market will not see a rebound without the recovery of the global economy. Facing these adverse market conditions, the Group will continue to consolidate its business while remaining committed to its current policies to control costs, maintain its focus on markets and customers, producing quality products and maximize production capacities. These measures will enhance the Group's leading position in the Asian plywood industry, placing it in an excellent position to take advantage of opportunities arising out of any improvements in the global economy. The Group believes that its commitment in production efficiency and the expansion of its product portfolio will improve the profitability of the Group and bring better returns to shareholders in the near future.