

## **BUSINESS OUTLOOK**

The world economy at present is full of uncertainties. The result of the September terrorist attacks in New York and Washington D.C. amidst the collapse of the hi-tech stocks earlier in the year severely dampened the spending desire of the consumers. The recent announcement by the Government of another rise in unemployment rate to 5.5% and a zero growth in GDP for the year 2001 indicated that the local economy is clearly in recession. The bust of the property bubble, the collapse in hi-tech stocks and the terrorist attacks with ensuing war in Afghanistan have done major damages to Hong Kong's once proudly proclaimed economic miracle. It will take years to recover. Despite the continued buoyancy in China following its accession into WTO, I see no light at the end of the tunnel for Hong Kong's economy at present.

Members of the Group have undergone major corporate restructuring during the last two years. I believe that our management teams are now all leaner and hopefully meaner, but we can only expect better results when the overall market improves. Your Directors remain, however, optimistic about satisfactory performance of the Group in the coming year.

I wish to express my sincere appreciation to my fellow directors for the guidance and all staff for their loyalty and dedication during this period of adverse market conditions.

**James Sai-Wing Wong**  
*Chairman*

Hong Kong, 12th December, 2001