

PROSPECTS

Following the acquisition of a substantial stake in the Company by Anglo Express Group Limited in August 2001, the Group has been exploring ways to diversify its investments and broaden its revenue base by developing new lines of business. After some thorough research into various alternatives, senior management of the Company identified the mobile telephone handsets market in the PRC as one that offers enormous opportunities and growth potentials. Accordingly, the Group announced in September 2001 the acquisition of 73% of Select Right. Select Right's sole asset is a 70% interest in Ezcom Technology Limited, formerly known as Scom New Technology Limited ("SNT"), a company engaged in the business of the trading of mobile phone handsets and related parts, components and technology. SNT has two core revenue sources: (1) the distribution of mobile phone handsets in the PRC under exclusive authorized dealership agreements with Samsung Electronics Company Limited ("Samsung"); and (2) the supply of mobile phone parts and technology to China Kejian Corporation ("Kejian"), a leading manufacturer of mobile phone handsets in the PRC. SNT is currently the exclusive authorized dealer in the PRC for Samsung's signature models A188 and SGH-A408 (Queen Phone), and sources parts and technology for Kejian's models K100, K200, K3900, K6800, K98, K7100, among others.

The Purchase of 73% interest in Select Right was approved by the Company's shareholders in the Special General Meeting held on 6 November 2001, and was completed on 14 November 2001. The name of SNT has been changed to Ezcom Technology Limited on 14 December 2001 to reflect its new majority ownership.

According to official data released by the Ministry of Information Industry ("MII") of the PRC, mobile phone subscriber base in the PRC surpassed that of the United States for the first time in August 2001 when it reached 125.774 million. In October 2001 it grew to 136.019 million, representing a 60% compound annualized growth. According to Gartner Dataquest, mobile handsets shipment to the PRC grew from 2.1 million in 1995 to 42.965 million in 2000, and is forecasted to reach 84.862 million in the year 2004, representing a compound annual growth rate of 45%. The Company thrives to become a leader in the robust PRC telecommunications market, and is well-positioned to do so given the expertise and experience of its senior management team. Management of the Company believes that the migration to 3G, CDMA and China's accession to the WTO all contribute to strong demands for mobile phone handsets and technology in the years to come.

The directors of the Company are confident that the investment in Select Right will bring value to the Shareholders since the unaudited turnover and profit before taxation of SNT for the period from 1 April 2001 to 31 October 2001 are approximately HK\$829 million and HK\$61 million respectively (which have not been included in the interim results of the Company for the period as the acquisition of 73% interest in Select Right has not been completed until 14 November 2001).

In the future, the Company intends to focus on two lines of business, namely office furniture and kitchen cabinet; and telecommunications.