

Chairman's Statement

For the financial year ended 2001, the Company and its subsidiaries (the "Group") recorded a net loss of approximately HK\$28.45 million. Further details of the Group's past performance are explained under the "Management Discussion and Analysis" section. The Board of Directors does not recommend the payment of any dividend for the year ended 31 December 2001.

Economic conditions and business environment have been difficult during the past few years, and may remain so in the near future. Business activities and investment incentive have been adversely affected across-the-board. The Group has been adjusting its investment focus to cut down on its loss situation. Loss for the year 2001 was significantly lowered as compared to the past two years. The Group will remain cautious in seeking out investment opportunity.

I would like to take this opportunity to express my sincere appreciation to all management and staff members for their contribution during the past year.

Chiu Tao

Chairman

Hong Kong, 19 April 2002