

On behalf of the Board of Directors of the Company, I take pleasure in presenting the Annual Results of the Group for the year ended 30 June 2002.

During the year under review, I became the controlling shareholder of the Company through 369 Holdings Limited.

For the year ended 30 June 2002, the Group's turnover decreased to HK\$103,991,000 representing a decrease of 47.49% over that of last year. The subsidiaries responsible for the manufacturing and trading of electrical equipment and the provision of electrical engineering and contracting services continued to be profitable. During the year, provisions have been made in respect of M-Star Limited and Maxview Enterprises Limited amounting to HK\$16,043,000 and HK\$3,991,000 respectively and a loss of HK\$5,522,000 was realized on disposal of Hebei Dezhi Industry Co., Ltd. Thus, resulted in a net loss of HK\$49,712,000 for the year (2001: net loss of HK\$46,989,000). The Net Asset Value of the Group as at 30 June 2002 stood at HK\$88,056,000 (2001: HK\$74,456,000). The Board of Directors has resolved not to pay a dividend for the year.

The year under review proved to be extremely difficult for business, with the United States ("US") economy markedly slowing. Hong Kong's economy is still finding its bottom, thus made the Hong Kong economy an unclear future. However, the continued excellent economic performance of the People's Republic of China (the "PRC") should help cushion Hong Kong from the full effects of the global downturn. The threats of wars against the Terrorist and the middle-eastern countries by the US have had a further dampening effect on the world economy. Meanwhile, doing business has become that much riskier, indicating that caution should be the watchword.

The present investment climate, although making the raising of funds difficult, does offer a range of sound business opportunities. The Group will continue to explore ways and means of developing the Group's investments, which with prudent management can be expected to show real growth in the years ahead. The preliminary co-operation with one of the major national brand enterprises — CITIC Cultural & Sports Industry Co., Limited, shall bring to the Group new and valuable opportunities to breakthrough during the economic turmoil in the area. And at the same time, the Group will exercise restraint in expenditure in order to conserve its resources.

On behalf of the Board of Directors, I should like to thank: our customers, our bankers, our auditors, the staff of the Group for their diligence, and our many shareholders, particularly those who have exercised such patience during a difficult year. I look forward to better years ahead.

Chen Chak Man

Chairman of the Board

21 October 2002