

CHAIRMAN'S STATEMENT

Year 2002 was another difficult year for the Group. The Group recorded a turnover of HK\$193,359,000 for the year, representing a decrease of 54%. The loss attributable to shareholders was HK\$119,435,000, representing a decrease of 40%. The decrease in turnover was primarily due to further shrinkage of the telecommunications business under the prevailing adverse trading environment.

Year 2003 continues to be a challenging year given the economic uncertainties. The most important task for the Group is to establish a stable revenue stream while maintaining stringent cost control. The Group made further investment in the bio-medical industry during the year and will continue to look for new business and investment opportunities.

The Management Discussion and Analysis is set out on pages 3 to 8.

I am grateful for the contribution and hard work of our management team and staff members towards the Group. And at the same time, I express my sincere thanks for the continued support from shareholders and business partners.

Joseph LEUNG Wing-kong

Chairman

Hong Kong, 10 April 2003