

Chairman's Statement

For the financial year ended 2002, the Company and its subsidiaries (the "Group") recorded a net loss of approximately HK\$128.21 million. Further details of the Group's past performance are explained under the "Management Discussion and Analysis" section.

Economic conditions and business environment have remained difficult during the past year. The outlook is uncertain and we may see further deterioration in the near future. The Board of Directors does not recommend the payment of final dividend for the year ended 31 December 2002.

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

Chiu Tao

Chairman

Hong Kong, 28 April 2003