

On behalf of the Board of Directors of Greater China Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I would like to present to the shareholders the 2002 annual report.

Although the interest rate in Hong Kong during the financial year was decreasing, the economic situation in Hong Kong is still sluggish and the property market is under great pressure. Unemployment rate was high leading to the low purchasing power. Accordingly, the performance of the Group for the year 2002 was disappointing.

For the year ended 31 December 2002, loss attributable to shareholders was approximately HK\$83,349,000 compared to a loss of approximately HK\$1,262,000 for the period from 1 July 2000 to 31 December 2001.

In order to reflect truly the current business nature and future business direction of the Group, the Company changed its name into Greater China Holdings Limited in May 2002.

PROSPECTS

It is our Group's policy to maximize our shareholders' value of investment. Though the economic situation in Hong Kong is experiencing a declining trend, economic growth in China is expected to reach 8% again in 2003. In the coming year, the Directors will continue to explore business and investment opportunities so as to enhance the Group's earning ability and asset base. Meanwhile, the Directors will remain to adopt cautious and prudent strategy in screening investment projects such that maximum rate of return on investments could be achieved.

APPRECIATION

I would like to take this opportunity to thank all of our dedicate staff for their efforts and support from our shareholders in the past year.

Xu Ying

Chairman

25 April 2003