



A system of corporate accountability

During the financial year 2003, as CEO, my main task was to execute the strategy formulated and approved by the Board of Directors and I am pleased to report that important progress has been made in achieving the targets set out by the Board.

The Group continues the focus on its three core businesses and most of the non-core businesses had been either scaled down or divested. In addition, the Group successfully sold property assets in Hong Kong which helped us to minimize the capital assets on our balance sheet. We also made some necessary management changes across the Group to ensure a lean and effective cost structure in all business units.

In the coming financial year, I will continue to execute the Board's strategy, paying particular attention to driving down costs and improving supply chain management, to raise our competitiveness and achieve greater customer satisfaction. A new Chief Information Officer has already been appointed to lead the Group's IT initiatives.

In addition, in line with our strategy of increasing management accountability, in April 2003 we launched a new "balanced scorecard" management system. As we implement this across the Group in calendar year 2003, it will help build an open corporate culture through the internal sharing of knowledge and information, creating a system of corporate accountability that will allow us to attract and retain the talents the Group needs to achieve future growth.

Paddy LAW Wai Leung
Group Chief Executive Officer