

Chairman's Statement

For the year under review, the Company and its subsidiaries (the "Group") recorded a net loss of approximately HK\$46.34 million as compared to the net loss of approximately HK\$347.92 million in the financial year 2002. Net loss per share was approximately HK\$0.80 cent. Further details of the Group's last financial performance are explained in the follow section "Management Discussion and Analysis."

The continuous deteriorating Hong Kong economy has great impact on the Group's investment portfolio as well as its returns. The SARS crisis has further distanced the Hong Kong economy from the recovery. The dim economy situation is expected to last for few more years before a concrete recovery can take place. Given the uncertainty of Hong Kong economy, the Group will try to explore more potential business opportunities outside Hong Kong in order to strengthen the Group's performance.

After due and careful consideration, the Board of Directors has resolved not to recommend the payment of final dividend.

I would like to thank all members of the Board and the staff for their diligence, dedication and support in the past year.

Chiu Kong
Chairman

Hong Kong, 25 July 2003