



◀ CHAIRPERSON'S STATEMENT

Dear Shareholders,

On behalf of the board of directors, I am pleased to present our annual report for the year ended 31 March 2003 of A-Max Holdings Limited (the "Company") and its subsidiaries (the "Group") after our successful corporate restructuring on 21 August 2002.

Results of the year

During the financial year under review, the net profit attributable to shareholders was approximately HK\$321.7 million, comparing to the net loss of approximately HK\$392.0 million for the last financial year. The turnover of the Group was approximately HK\$10.2 million representing a decrease of 19.7% as compared with that of last financial year.

Dividend

The directors do not recommend the payment of dividend for the year ended 31 March 2003 (2002: Nil).

Business review

The past year was a significant but difficult year for the Group. Thanks to the successful debt restructuring, which was completed on 21 August 2002, the Group is now able to operate under a healthy environment with a significant reduction of financial burden. A non-recurring net profit amounted to approximately HK\$353.3 million was resulted from the debt restructuring.

The US military attack on Iraq and outbreak of SARS diseases had significantly affected the performance and slowed down the pace of recovery of the Group during the financial year under review. To cope with the situations, the Group had implemented a series of effective cost control measures to minimise the negative impacts.

Prospects

The Group is mainly engaged in the manufacture, development and sales of liquid crystal display (the "LCD") and LCD modules and LCD consumer products at a 50,000 square metre world-class manufacturing plant in Dongguan, China. With the extensive experiences and efforts of our new management team, the Group has been able to see a growing stream of revenue and cash flows. Following the end of US military attack on Iraq and outbreak of SARS diseases, the Group is able to forecast a triple digit increase in turnover in the next financial year. The trend of growth and continuing improvement are also expected over the years to come. The Group's world-class manufacturing facilities, expanding global sales network, and alliances with strategic partners have weaved the solid platform for the Group to pursue further growth and profitability.

In order to increase our market competitiveness, top priority has been placed in increasing the research and development capabilities by expanding our engineering team force. The Group will also perform feasibility study on the manufacturing of colour LCD, which now has wide applications in numerous popular electronic products.

Appreciation

We are thankful to everyone connected to the success of the Group. I would like to extend my sincerest gratitude to our shareholders, management team, customers and business partners for their continued support and confidence in the Group.

Ng Wai Fong, Wendy
Chairperson

Hong Kong, 30 July 2003