

## Chairman's Statement

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Hong Kong economy kept its down turn continuously in the financial year of 2002/03. With the world's three biggest economies, namely the United States of America, Japan, and the European Union, being hit by a rare synchronous economic downturn, compounded by the Iraq war and the SARS outbreak, local economy was trapped in doldrums and at times, was almost in a complete paralysis.

The Group, like many others business sectors in Hong Kong, suffered as well. In the face of this challenging situation, all the Group could do was to spin off its non-core business by concentrating its resources on the business it knows best, namely, financial service and base metal sector. In addition, the Group had succeeded in attracting new funding to reinforce its capital base by placing its shares and issuing convertible notes, enhancing its liquidity position in such a difficult period.



In the coming year, the Board expects its bullion trading to outperform all other divisions in the Group. As for the base metal sector, the Board is confident that the whole operation will be able to contribute its shares of profit to the Company soon, evidenced by rising commodity prices, and improved productivity. However, the outlook of our stock broking division is hardly encouraging. It remains to be seen if the local and world economies can rebound soon.

In spite of all these difficulties, I am pleased to witness that the working spirit of the Group remains as forward looking and enduring. On behalf of the Board, I am thankful for all our staffs who are resilient enough to live up to this spirit under the circumstances.

**Cheung Yan Lung**, CBE, OSJ, JP  
Chairman

Hong Kong, 5 September 2003

