

On behalf of the Board of Directors (the "Board") of Ruili Holdings Limited (formerly known as Terabit Access Technology International Limited) (hereinafter referred to as the "Company"), I am pleased to announce the annual results of the Company, together with its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 30 June 2003.

## BUSINESS REVIEW

2002–2003 remained challenging and difficult to the Group as global and local economic atmosphere is still at the low side and the continued deflation and the unfortunate outbreak of Severe Acute Respiratory Syndrome ("SARS") had aggravated the investment and consumption. Despite the fact that the market is harsh and more conservative, the directors of the Group have critically reviewed the Group's operations and business direction. At the same time, extreme diligence was exercised in managing the Group's resources. A number of non-performing activities and operations were scaled down or postponed. There was only one motto that the Group adhere to while searching for a suitable business model and redefine the business: invest only where there is good growth potential and where the directors of the Group are convinced of an attractive return on investment.

During the year under review, the Group recorded total revenue amounted to approximately HK\$279,839,000, representing a decrease of 30.41% and net loss of HK\$104,571,000. Loss per share for the year ended 30 June 2003 was HK1.23 cents. The unsatisfactory result for the year was due to the negative impact of the outbreak of SARS and substantial provisions made in the Group's assets and investments.

In order to expand the revenue base, the Group has been actively exploring new prospective business opportunities. For example, the Company through its wholly owned subsidiary acquired a 50% equity interest in a company which engages in the provision of sewage water treatment in the area of Haian County of Jiangsu Province. As the public in the People's Republic of China (the "PRC") are becoming increasingly aware of the significance of environmental protection, the directors believe that the investment could generate future returns and diversify the business risk of the Group.

## LOOKING AHEAD

Going forward, the Group will seek to continuously raise revenue and improve operating efficiency, while keeping a watchful eye on operating expenses. The Group will also evaluate its existing investment portfolio and consider whether any appropriate action will needed to be taken. Meanwhile, it will also continue to carefully seek new opportunities in merger and acquisition so as to enhance shareholders' wealth.

The PRC is widely recognised as the world's most dynamic economy today. The Group will actively participate in the growth of this market. The recent conclusion of Closer Economic Partnership Arrangement ("CEPA") between Hong Kong and the PRC has placed Hong Kong based companies in a particularly favourable position as cross-border trade is enhanced. Besides, following the commencement of the construction of Hong Kong-Shenzhen Western Corridor in August 2003, Hong Kong will maintain its important function as a bridge between the PRC and the overseas interest.

## APPRECIATION

On behalf of the Group, I would also like to take this opportunity to extend our gratitude to customers and shareholders for their continuous support and our staff for their invaluable dedication and contribution in the past year. In view of the difficult time we faced under the SARS saga, these support, dedication and contribution was even more special and priceless.

**Zhang Yiwei**  
*Chairman*

Hong Kong, 28 October 2003