

Chairman's Statement

For the financial year ended 2003, the Company and its subsidiaries (the "Group") recorded a net loss of approximately HK\$199.42 million. Further details of the Group's past performance are explained under the "Management Discussion and Analysis" section.

Economic conditions and market sentiment seems to have improved. We hope that the economic improvement can persist, otherwise it could remain difficult for the business environment. The Board of Directors does not recommend the payment of any final dividend for the year ended 31 December 2003.

I would like to take this opportunity to express my appreciation to all management and staff members for their contribution during the past year.

Chiu Kong

Chairman

Hong Kong, 26 March 2004