

C h a i r m a n ' s S t a t e m e n t



2003 marked the Group's 40th anniversary and has also been a financially rewarding year. I am pleased to announce that for the year ended December 31, 2003, the Group achieved a consolidated turnover of approximately HK\$1,350 million, a growth of 18% as compared to last year and the resulting net profit rose to approximately HK\$277 million, an increase of 60% over last year.

Throughout its 40 years of operation, the Group has successfully established the **fong's**® brand name as a world-class dyeing and finishing equipment manufacturer. The Group currently employs approximately 3,000 personnel, serving over 4,000 customers worldwide, overseeing the production of approximately 2,000 sets of dyeing and finishing equipment annually at its own 60,000 square-metre production facilities in Shenzhen, China.

As a result of the world's economic growth, there has come a profound improvement in people's quality of life. To respond to the increasingly stringent quality requirements of discriminating buyers, our customers are finding that they have to equip themselves with dyeing and finishing equipment of superior performance that will allow them to enhance their competitiveness.

With our strong foothold in China and Asia, the Group will continue to focus on its research and development capabilities in order to bring new products to the market place and to maintain its leading position in the industry.

In addition, as part of its business diversification and growth strategy, the Group is actively seeking good investment opportunities that will offer synergetic value to complement its existing businesses. Accordingly, the Group will explore new market opportunities and new income sources which are compatible with its long-term growth strategy and will continue to seek potential acquisitions and alliances. With its solid foundation and healthy financial position, the Group possesses both the confidence and the capabilities to continue on the path towards a world-class corporation.

C h a i r m a n ' s S t a t e m e n t



• Press Conference at Fong's 40th Anniversary Celebration



• Fong's 40th Anniversary Lighting Ceremony

APPRECIATION

Lastly, on behalf of the Board, I would like to take this opportunity to extend my sincere gratitude to our customers, suppliers, bankers, investors and business partners for their continuous co-operation, support, patronage and confidence in the Group. Moreover, I would also like to thank all our colleagues for their efforts and hard work over the past year. They have all made significant contributions to this past year's results.

Fong Sou Lam
Chairman

Hong Kong, April 13, 2004