

## *Chairman's Statement*

On behalf of the Board of Directors of Greater China Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I would like to present to the shareholders the 2003 annual report.

Year 2003 was a difficult year for most of the companies in Hong Kong. However, certain supportive measures were implemented and business environment was greatly improved in the second half of year 2003. The property market in Hong Kong was also benefits and it is pleased to report that 70% of the total gross floor areas in 1 Lyndhurst Tower of our Group were leased out during the financial year.

In the beginning of year 2004, the Group, through the acquisition of 51% interest of an investment holding company, participated into a business relating to the production and sale of agricultural spray nozzles and hosepipe, production and sale of pesticide and organic fertilizers in China. We consider that such investment is valuable as it has provided an opportunity for the Group to diversify its investment base and able to provide another source of income to the Group in the future.

### *Prospects*

It is expected that the economic environment will further improve in year 2004 and the property market may show a positive growth. The Directors will continue to explore business opportunities that are valuable to the Group and to our shareholders concerned such that the Group's earning ability and asset base could be increased.

### *Appreciation*

I would like to take this opportunity to thank all of our dedicate staff for their efforts and support from our shareholders in the past year.

**Xu Ying**

*Chairman*

23 April 2004