

CHAIRMAN'S STATEMENT

On behalf of eForce Holdings Limited (the "Company") and its subsidiaries (the "Group"), I would like to present the 2003 Annual Report for the year ended 31 December 2003.

BUSINESS OVERVIEW AND PROSPECT

The outbreak of Severe Acute Respiratory Syndrome ("SARS") in the second quarter of 2003 had a devastating impact to almost all market segments in China. The sudden attack of this epidemic affected the business development of the Group to a certain extent. During the SARS outbreak, most of the planned visits by our customers were either cancelled or postponed. It had also delayed the Group's progress in the logistics business development in the PRC.

Nevertheless, the Group continues to pursue the development of the logistic business. The Group will look for strategic investments related to the logistics operation in order to capitalize on the increasing demand for such logistical services in China. The Group believes that as China takes on a more critical role as one of the world's biggest and most influential manufacturing country, movement within China will reach staggering proportions. The management strives to enable the Group to benefit from such growth, which is expected to provide a promising future for the Group.

Despite the impact of SARS outbreak, the Group's manufacturing business has shown improvement in its turnover as compared to last year. This improvement is the direct results of the management effort in maintaining and improving products' quality with competitive prices to secure customers' confidence in placing orders with the Group. The management team will continue its effort on R&D so as to develop new quality products and strive to broaden its customer's base. The business unit will also concentrate on developing potential markets and further diversify its products, with emphasis on the development of high-end oral care products to improve the Group's profitability. The Group expects positive contribution from its manufacturing arm in the coming year.

The information Technology Business Unit took on a different strategy for the year 2003. The management team of this unit embarked on a collaboration and joint effort strategy to license, develop and promote new mobile and embedded computing products based upon certain Open Source System to all Chinese language speaking countries (China, HK, Macau and Taiwan). This collaboration targets the vast novice market of the greater China. It is complimented by Midori Linux international public platform and the RedOffice (a product jointly developed with the Academy of Science of China). Together, we believe this will provide manufacturers all over the world with new business opportunities and competitive strength to enter the China market, which in turn will bring significant business opportunity to the Group in the coming year.

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APPRECIATION

On behalf of the Board, I would like to express my gratitude towards all valuable shareholders, customers and dedicated staff members for their precious assistance and support. I would also like to thank every director, the management and staff member for their devotion, commitment and meaningful contribution to the Group. The ensuring concerted efforts of the directors; the management and the staff members will enable the Group to attain predominant results in the future.