

CHAIRMAN'S STATEMENT

The year 2003 presented great challenges for Hong Kong as the moderate economic recovery had influenced the market conditions for the finance industry. Fortunately, Grand Investment International Ltd. has made substantial progress through the support of our shareholders and strategic partners.

China has become one of the driving forces of the Asian economy since its entrance into the World Trade Organization (WTO). Hong Kong is one of the leading financial center in Asia and it provides a platform for a wide range of services and business to the Mainland China especially through the Closer Economic Partnership Arrangement (CEPA). With positive sentiment and continuous demand, the economic recovery in Hong Kong is expected to accelerate once again.

Our Company will continue to engage principally in investments in Hong Kong and the People's Republic of China ("PRC"). We aim to achieve short to medium term capital appreciation, which we hope to bring desirable return to our shareholders. Our investments target well-established public and private enterprises that possess potential prospects for profit and growth. We also evaluate enterprises based on their management strength, technical expertise and competitive products. Furthermore, we aim to take advantage of the favorable position of Hong Kong within the PRC in order to maximise our profitability.

It is our objective to distribute profit from our investments to our shareholders and enhance their investment value in Grand Investment International Ltd.. May we join together to embark on a new journey of success.

Thank you.

Lee Woo Sing

Chairman

Hong Kong, 27 July 2004