

## CHAIRMAN'S STATEMENT



*Dr. Fan Di, CHAIRMAN*

### RESULTS

I am pleased to report that the Company has recorded a profit for the year ended 31 March 2004 of HK\$14.26 million (2003: HK\$13.45 million).

The profit was mainly attributable to the realization of part of the Company's investment in DF China Technology Inc. ("DFCT") together with the revaluation to market value of the remaining DFCT investment as at 31 March 2004. DFCT is at present listed on the OTC Bulletin Board in the US and is principally engaged in the business of designing, manufacturing and selling computer software and hardware products and systems solutions for the supply chain management and logistics computer industry in China.

### BUSINESS STRATEGIES

During the year, we disposed of the remaining non-core businesses representing the legacy remaining in the Group from Dransfield Holdings Limited. As a result, we have been able to manage our costs by streamlining operations and headcounts and also allow us to better utilize our assets and improve the return to shareholders.

The Company has basically finished restructuring the logistics operation in Futian, the PRC and, as a result, the turnover from the operation has increased significantly compared to that of the previous year of operation. I am pleased to note that our logistics operation has made such steady and improved progress during the year.

The improved performance of the logistics operation has caused the management to consider further development of the operation. This requires us to build on the organic expansion of our existing logistics business. Management has under review a number of potential acquisitions in relation to logistics operations. Any acquisition of this nature can be dealt with through fund raising activities or by the introduction of strategic partners.

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### CORPORATE GOVERNANCE

The Group is strongly committed to enhancing corporate governance through effective communication and transparency in our operations and developments. We have already taken measures to strengthen our internal auditing and management control. I look to the assistance from our non-executive directors in introducing and complying with appropriate corporate governance.

### LOOKING FORWARD

Looking ahead, we shall continue to focus our efforts in the logistics business to achieve expansion by horizontal expansion, vertical integration and joint venture opportunities.

We consider the coming year will provide exciting opportunities for the Group as supported by the encouraging global economic growth and anticipate a continuing improvement in our logistics business performance. We shall also continue to look for possible co-operations, mergers and acquisitions in the PRC as and when opportunities arise.

### ACKNOWLEDGEMENT

The development and success of the Group would not be possible without the commitment and vision of our management team, and efficient and professional staff. I would like to take this opportunity to express my appreciation and thanks to my fellow directors and all employees of the Group for their dedication and hard work during the year under review.

**FAN Di**

*CHAIRMAN*

Hong Kong, 26 July 2004