

CHAIRMAN'S STATEMENT

I am pleased to present this annual report of Fu Cheong International Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2004.

The Group's turnover was approximately HK\$20,166,000, gross loss ("G.L.") was approximately HK\$1,501,000, total liabilities was approximately HK\$34,645,000, comparing with those of the same period of 2003 (turnover was approximately HK\$32,430,000, gross loss was approximately HK\$8,467,000, total liabilities was approximately HK\$36,280,000), they represented a decrease of approximately 37.8%, 82.3% and 4.5% respectively.

For the whole year, carbon through hole paper phenolic ("CHPP") printed circuit boards (the "PCBs") and high-density ("HD") PCB contributed to about 31.1% and 7.3% of total turnover of the Group respectively.

The Group had no outstanding bank loans as at 31 December 2004.

BUSINESS REVIEW

The Group manufactures PCBs in the People's Republic of China (the "PRC") and sells products to electronics products manufacturers that are based in Hong Kong but with production facilities in the PRC.

The result of 2004 reflects our management 2003 expectation written in the 2003 Annual report. Under guidance of cost control, we succeed our promise in 2003.

There are approximately 37.8% less in sales amount in 2004 compared with that of 2003. However, there is approximately 84.1% drop in loss. It is proved that the success of our cost control. In 2004, we restructured the Group. One subsidiary was sold and tax provision of approximately HK\$24,821,000 are written back. It also reflected our cost control concept and it will maintain effective and efficient management control.

Our PCB portfolio comprises five categories – CHPP PCB, single-side PCB with carbon jumper, paper phenolic double-side plate through hole PCB, HD PCB and mylar PCB (carbon/silver paste). Our products were supplied to the manufacturers of toys, home appliances, electronic products and office equipments.

BUSINESS PROSPECTS

We hope that we will get a better result at the end of the year 2005 if the business restructuring succeed.

Ho Marjorie

Chairman

Hong Kong, 18 April 2005